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THE TIMES

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Clarke's Budget takes the whip to borrowing

MICHAEL POWELL

Kenneth Clarke outside 11 Downing Street with his wife, Gillian, and the box of tricks from which he conjured a unifying Budget yesterday

BY PHILIP WEBSTER AND JANET BUSH

KENNETH Clarke yesterday ...d Conservative MPs be... a tough "no nonsense" ...get that imposed a fresh ... squeeze on the middle ...es, made unexpectedly ...e reductions in public ...ding and set the ambi...s goal of wiping out gov...nent borrowing by the end ...he century.

Mr Clarke's first Budget ... hailed by Tories across ... spectrum as a personal ...umph that would boost the ...vernment's political for...es. But they agreed that his ...ld effort to curb and then ...minate the deficit would ...ean pain and unpopularity ... the months and years ...head.

Home owners, motorists, smokers and holidaymakers were in the front line as Mr Clarke further reduced mortgage tax relief and froze personal tax allowances, as well as introducing new taxes on air travel and most insurance premiums. But he delighted the Conservative right by placing greater reliance on spending cuts than tax increases to begin the task of balancing the books, and he pleased all of the party by protecting the health, law and order and education budgets.

At the same time, he dealt with one of the government's biggest political problems with a surprisingly generous £1.6 billion package to offset the effects of the imposition of VAT on fuel. Some 15 million people, including all pensioners, will get extra help.

In a skilful performance, Mr Clarke also began the long-heralded reform of the welfare state by announcing measures to tighten up eligibility for state benefits, halving to six months the time the jobless will automatically receive benefit, and starting the countdown to an equalised state pension age of 65 by the year 2020.

Several Tory MPs praised Mr Clarke for his "conjurer's trick", and his performance clearly satisfied the markets. In late trading yesterday, share prices soared to gain 31 points, the UK government bond market — particularly sensitive because it is through gilts that the government finances its borrowing — piled on impressive gains, and sterling rallied.

But economists pointed out that the Chancellor's plans for future years, on top of the "rising wedge" of taxes put in place by Norman Lamont last March, constitute a swingeing assault on the consumer over the next two years which will inevitably have to be balanced by lower interest rates. Tax increases now in the pipeline could mean up to £16 a week extra for the typical family by April 1995 and one Tory MP said last night: "The relief has come before the pain."

City economists yesterday talked openly of base rates falling to 4 per cent next year and predicted that the first cut could come within weeks. Gerard Lyons, chief economist at DKB International, said: "The consumer is going to be aggressively hit in the next two years and another sizeable easing in interest rates is needed."

In the Commons, Mr Clarke was subjected to an immediate Commons onslaught from John Smith who said that his "stomach turned at the continued and vicious assault on the welfare state." And the Labour leader was roared on by his backbenchers as he said: "At a time of high unemployment, to cut the time for unemployment benefit from one year to six months is odious, odious in the extreme."

Mr Clarke surprised MPs by announcing a £10 billion cut in public spending over the next three years from previously published plans. He managed it by making cuts in capital spending and through a larger than usual raid on the contingency reserve.

The first spend-and-tax Budget also included a stringent assault on John Gummer's environment budget — which could mean big rises in council tax — £780 million in defence spending cuts over two years, and a £430 million cut in the roads programme over the same period. Mr Clarke's assault on spending is apparently based on the assumption that he will be able to hold down public sector pay for years to come. If the unions seriously breach the limits, it will mean job losses or reduced services if his arithmetic is not to be wrecked.

While spending cuts will play the bigger role in tackling the deficit next year, in the following two years higher taxation will take the lion' share of the task. Mr Clarke, who aims to close loopholes worth £2 billion, announced tax rises totalling £1.75 billion in the first year, £4.9 billion in 1995-96 and £6.1 billion in 1996-97. These are on top of the £6.7 billion tax rise in April imposed by Mr Lamont, and the £10.3 billion due the following year.

Cigarettes went up by 11p for a packet of 20 and petrol will cost 13.5p a gallon more — and both will rise well above the inflation rate in the future. Air passengers will have to pay a £5 tax for each domestic or EC flight and £10 for international journeys, while a new 3 per cent tax was placed on premiums for house, car and other

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Welfare reforms

The Chancellor signalled sweeping reforms of the welfare state. A job seeker's allowance and incapacity benefit will be introduced, both tightening the criteria for claimants .... Page 9

Airline tax stuns travel industry

BY SARAH BAGNALL AND MARIANNE CURPHEY

AIR fares and package holiday prices will rise next year as a result of the new air passenger duty, a surprise measure introduced by Mr Clarke yesterday.

The new tax, on both scheduled and charter airlines, was immediately dubbed the "exit tax". It stunned the travel industry, which believed it had seen off the threat of VAT on air fares but had not been prepared for a new duty. The tax, which comes into force on October 1 next year, will push up fares on some routes within Britain by around 15 per cent and, it is feared, lead to the closure of several small airlines.

Household and car insurance premiums will be subject to a 3 per cent tax from next October, adding 35p a week to the average family's insurance bill. The additional annual charge of about £18 will be levied on top of the average family's bill of £600 a year for motor, home contents and building insurance.

Mr Clarke said in a full year the duty will raise £750 million for the treasury. However, in a bid to avoid driving business off-shore export credit, aviation, marine, life and reinsurance premiums will remain exempt from tax, he said.

The change, which caught insurers by surprise, brings the UK into line with most EC countries and the US, where levies already exist. However, the 3 per cent duty is among the lowest in Europe and compares favourably to the 4 per cent to 5 per cent rate in Canada and the US. Policyholders in France face the biggest duties of 30 per cent on household and 35 per cent on motor insurance while policyholders in Italy pay up to 21 per cent. Lower levels of 10 per cent and 7 per cent exist in Germany and Holland, respectively.

The new tax prompted concerns that more people will opt out of insuring their homes and cars, a feature that has risen sharply in recent years as policyholders faced massive premium rises.

BUDGET SUMMARY

Heating help for elderly and poor

The disabled, the poor and all pensioners to receive cash towards cost of VAT on fuel from next April; benefit will be worth up to £2 a week by 1996. Cold weather payments up to £7 next year and £7.50 in 1995. More grants for energy-saving schemes.

Petrol up 13.5p a gallon

Petrol and diesel up 3p a litre (13.5p per gallon) and by 5% above inflation from next year. Car tax raised to £130, lorry tax unchanged. Cigarettes up 11p for 20 and by 3% in real terms in future years. Wine and cider up 2p a bottle after Christmas, no change in beer or spirits duty. VAT unchanged.

Tax allowances frozen

Personal tax allowances and higher rate threshold frozen. 20p tax band up to £3,000 and blind person's allowance up to £1,200 from April. Married couple's allowance and mortgage interest relief limited to 20% from April and to 15% from 1995.

Flying tax, roads levy

All air passengers to pay £5 tax for UK domestic and EC flights, £10 for overseas trips from next October. Motorway users to be charged when technology available. Docklands Light Railway extension to Lewisham. West coast rail line refurbishment and air traffic control centre for Scotland to go ahead with private cash.

Women will work to 65

Women's state pension age to rise to 65 in 2020. New pensioners' guaranteed income bond to offer fixed interest rate over five years with monthly income.

Insurance premiums taxed

Insurance premiums to be taxed at 3% from next October; long-term life and endowment policies exempt.

Invalidity benefit replaced

Taxable incapacity benefit to replace invalidity and sickness benefit with tighter medical tests. Big employers to bear full burden of sick pay. Jobseeker's allowance to replace unemployment and income benefits.

Childcare help

Parents on family credit to receive up to £28 a week childcare allowance, aimed at enabling parents to work.

Aid for small business

Corporation tax profits limit for small companies up by 20%. VAT registration threshold up to £45,000. Legislation to make late payers liable for interest. Statutory audit scrapped for firms with up to £90,000 turnover and eased for those up to £350,000. Lower rates of employers' NI contributions cut by 1%. No capital gains liability on first £250,000 of firms sold on owners' retirement, liability halved on next £750,000.

New venture trust

Enterprise investment scheme to encourage investment in unquoted companies. Maximum investment £100,000 with losses eligible for tax relief and gains free of CGT.

Tax loopholes closed

Action to combat tax avoidance, including end to payment by gold bars or commodities, clampdown on abuse of profit-related pay and avoidance of stamp duty on house sales.

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No smoke, no mirrors, just loads of chutzpah

Anatole Kaletsky admires the audacious manner in which Kenneth Clarke found a public spending cut of £3.5 billion

"IT'S all done by mirrors" is the cynic's usual response to a Chancellor of the Exchequer who seems to pluck billions out of thin air and produce a Budget that his supporters immediately hail as canny, ingenious and brilliant. In Kenneth Clarke's case, this criticism is unfair. In this Budget, there were no smoke and mirrors: it was all done by chutzpah.

Most importantly, the £3.5 billion cut in public spending that Mr Clarke suddenly pulled out of the bag at the end of his speech, after teasing his audience with hints of a spine-chilling extension of the VAT net, was not really a cut at all. Mr Clarke was only able to balance his books at the very end of the Budget by using a piece of creative accounting, which nevertheless required him to show political audacity unmatched by any Chancellor for many years.

Mr Clarke has also hit the economy with a much bigger squeeze than anyone had expected: higher taxes on consumers, lower wages for public employees and less public spending. In total the Treasury will take some £11 billion out of the economy next year with a combination of higher taxes and lower than expected public spending. That the Chancellor dared to do this without offering the expected sweetener of a large cut in interest rates has amazed many economists and City analysts, whose models will now churn out forecasts suggesting a sharp deceleration in the economic recovery next year.

No doubt the interest-rate reductions will be forthcoming — last night the City was busily revising its expectations for base rates down to about 4.5 or 5 per cent by next spring. Why Mr Clarke chose not to announce a bigger cut in interest rates in the Budget remains a mystery, however.

Finally, Mr Clarke imposed new taxes on all kinds of politically-sensitive constituencies — including the insurance, airline and home-ownership lobbies — with none of the leaks usually employed by the Chancellor to prepare their victims for new exactions. For example, the further cut in mortgage interest tax relief from April 1995 onwards suggests strongly that Miras is going to be eliminated completely over the next few years, but the housing lobby looks likely to take that with a stunned silence.

Mr Clarke's most remarkable feat, however — and the one which made the rest of

Continued on page 2, col 5

NEWS IN BRIEF

Teenage arsonist given six life terms

A teenager who started a fire in a Littlewoods store in Chesterfield, Derbyshire, because he "liked seeing fire engines in action" was given six life sentences yesterday. Two pensioners died and 82 people were hurt when fire engulfed the store in May, Nottingham Crown Court was told.

Peter Lomas, now 15, of Chesterfield, admitted two charges of manslaughter and three charges of damaging property being reckless as to whether life was endangered. He also admitted a charge of reckless arson in September this year at the secure unit where he was being held.

Car washer jailed

A street windscreen washer was jailed at the Old Bailey for a year for assault by Judge Smedley who denounced the activities of others. Giovanni Taylor, 20, of Marylebone, central London, hit a chauffeur with an iron bar and made threats with an air pistol when objections were made as he tried to wash a car windscreen in Baker Street.

Riot film ruling

News organisations were told yesterday to hand over film and photographs taken during an anti-Nazi rally in Welling, southeast London, last month in which 250 people were hurt. Judge Butler QC ruled that the public interest in seeing the capture of those responsible far outweighed the possibility of an increased risk to photographers.

Teacher to appeal

A religious education teacher who lost her job after she had a child by a Catholic priest yesterday won the right to have her case heard at an industrial tribunal. Monika Konacek, 29, claims she was unfairly dismissed from St Thomas More Upper School in Bedford. She and the former priest, Chris O'Neill, married after he left the church.

Star opens sex clinic

Elton John, left, yesterday cut a ribbon to open the £1.7 million sexual health clinic at King's College hospital in south London to mark World Aids Day today, but left fans disappointed when he failed to utter a word. The rock star, who has recently had influenza, signed a plaque saying "A magnificent achievement, with love Elton John," and kissed a male receptionist before silently departing.

Family medals sold

A collection of 94 gallantry medals won by 12 members of the Hart family over a century made £42,682 at Sotheby's in Billingshurst, West Sussex, yesterday. A Victoria Cross group won by General Sir Reginald Hart in the Afghan wars in 1879 went to a British businessman for £23,000. Enthusiasts were dismayed at the collection being split up.

Independent losses

Newspaper Publishing, owner of *The Independent* and *The Independent on Sunday*, has reported an operating loss of £423,000 for the year to September 26, compared with full year profits of £28,000 in 1992. The results reflect a £350,000 write-off for its failed bid for *The Observer* and £287,000 for the two titles' relaunch in October. Media, pages 40, 41

Stolen cards seized

A huge haul of stolen credit cards and false birth certificates was seized in dawn raids by police yesterday. A man and a woman were arrested at a house in Shirley, Hampshire, after a two-month investigation into the activities of a group of Nigerian and Ghanaian nationals. They were later released on police bail.

'Disgusting fiscal cocktail of broken tax pledges and assaults on welfare'

Smith says Clarke has betrayed voters

■ The Labour leader says the Tories have ignored huge loopholes in the tax system and turned to people on benefit to find the money needed to balance the books

By Jonathan Prynn, Political Reporter

JOHN Smith last night condemned Britain's first unified Budget as an "absolutely disgusting" fiscal cocktail of broken tax pledges and assaults on welfare spending.

In a pugnacious response to Kenneth Clarke's proposals, the Labour leader launched a bitter attack on "odious" reforms of benefits for the sick and the jobless. Opening the five-day Commons debate on the Budget, Mr Smith said his "stomach turned over" when he saw what was happening to public spending.

The Chancellor of the Exchequer had ignored huge loopholes in the tax system and turned to people on benefit to find the money he needed to balance the books, Mr Smith said.

After congratulating Mr Clarke on his presentation of the combined Budget and public spending statement, Mr Smith warned Mr Clarke he would "live to regret saying he had public borrowing once and for all under control".

The two Budgets this year were bad news for taxpayers, he said. They betrayed Conservative tax and spending pledges, and were "designed to make the British people pay for the price of Conservative economic mismanagement".

At least three taxes on income — frozen personal allowances, cuts in the married couple's allowances and cuts in mortgage tax relief — had been announced by Mr Clarke. The formal rate of income tax may not change "but they wriggle in all sorts of ways to try to increase income tax without the public detecting that they are putting it up," the Labour leader said.

A furious Mr Smith dismissed the Chancellor's claim to have tackled the problem for the elderly and the disabled of VAT on domestic fuel. The compensation was inadequate and ignored "the millions of families" who are not on benefit. The Budget, he said, was a fraud on the British people. Mr Smith issued a warning that the cost to a typical family of £8.50 a week from April because of the March Budget of Norman Lamont, the former Chancellor, would now rise to £9 a week. In March Mr Lamont had "primed a ticking tax timebomb" which would cost the typical family an additional £8.50 a week from April. "What did we get today? More betrayals of Conservative election promises."

Alan Beith, the Liberal Democrat Treasury spokesman, also ridiculed tax increases announced in the "Son of Norman" Budget. There was "not a backdoor to the tax system," that Mr Clarke and Mr Lamont between them had not opened in this year's two Budgets. The governments motto was "if it moves, tax it," Mr Beith said.

OPPOSITION

Mr Lamont, Mr Clarke's predecessor, said: "I think this is a good Budget. I think it's a very sensible Budget. He has done what I hoped he would do." Mr Clarke's plans were helped by the fact that lower inflation had reduced costs, he said. Help for people facing higher domestic fuel bills caused by VAT was "very generous". He welcomed the introduction of a pensioners' bond designed to offset the effect of falling interest rates on savings.

"I've always said that I'm quite sure our unpopularity in by-elections like the Christchurch by-election had quite a lot to do with low interest rates. Pensioners very much resent the fact."

Mr Lamont said Mr Clarke appeared to have been strongly influenced by representations from small shopkeepers in his decision not to raise duty on beers and spirits. He was surprised Mr Clarke did not give more details of public spending proposals.

Unimpressed: John Smith opening the Budget debate

BBC TELEVISION

John Patten listens as the Speaker declares that his department has been discourteous to the Commons

Speaker rebukes Patten for press leak

By Jonathan Prynn
Political Reporter

THE first unified Budget got off to an embarrassing start when the Speaker rebuked the education department for accidentally releasing spending details before the Chancellor's speech.

Ann Taylor, shadow education secretary, raised the issue as Kenneth Clarke was due to begin. She said the press release on the spending plans could be taken as an indication of revenue to be raised and called for John Patten, the education secretary, to resign. The leak gave the Opposition early ammunition for its attack on the Budget because it included details of cuts in student grants.

Betty Boothroyd, the Speaker, said that although the accidental release to the press of spending plans did not have the same gravity as the leaking of tax proposals, "it is nonetheless a most serious discourtesy to the House". She added: "I deprecate most strongly what has happened and I trust that the department will take steps to see that they prevent anything similar happening again."

No mirrors, just chutzpah

Continued from page 1

his Budget add up — was undoubtedly in the presentation of public spending. Adding up all the spending plans announced by the various government departments for 1994-5, the Chancellor's generosity to pensioners, hospitals and universities substantially outweighed the cuts announced in transport, housing and local government.

Rather than the £3.5 billion cut in public spending announced by Mr Clarke, the figures show a small net increase of £100 million compared with the plans announced by Norman Lamont last November, and a rise of £1.4 billion excluding various erratic payments to the European Community.

Nevertheless, in terms of the Treasury's accounting conventions, Mr Clarke's claim was perfectly valid. The Budget really did cut the planned public spending "control total" by £3.6 billion. The key to the mystery lay in the use of the so-called contingency reserve, which the Treasury always sets aside for unexpected changes in public spending in future years. The Treasury accountants simply halved the £7 billion pencilled in last November by Mr Lamont — and, hey presto, Mr. Clarke had his £3.5 billion cut in planned public spending.

As the Labour front bench and City economists gaped, Treasury ministers and officials jumped out from behind the curtain to justify this feat of prestidigitation. They pointed out that the Treasury always reduces its contingency reserve for the year ahead as the start of the year approaches and Mr Clarke's £3.5 billion reduction was roughly in line with past practice. The real difference this year, one minister said, was that the money coming out of the continegncy reserve is usually thrown to the spending ministers to fight over in the annual public-spending round. This year, Michael Portillo, the Chief Secretary to the Treasury, refused to allow any of the contiengency reserve to be used by the cabinet in its annual battle. In this sense, the cut in the contingency reserve did represent a genuine victory for the Treasury. While there has been no true reduction in public spending, there has been a real cut in the last-minute extra spending that ministers and financial markets had come to expect.

Mr Clarke may not have managed to cut public spending as spectacularly as he claimed at the end of his speech, but he showed real audacity in defying the expectations of his cabinet colleagues that they would get more cash. The question is whether the spending ministers take their revenge in the next year by overspending.

Chancellor takes the whip to borrowing

Continued from page 1

insurance. Mr Clarke left beer and spirit untouched, although wine will go up by 2p a bottle after Christmas. He received the biggest cheer of his 75-minute speech when announcing that he had not decided to widen the scope of VAT to children's clothes, books or newspapers as had been widely feared.

Mr Clarke declared that his aim was to place the public finances on a sound footing and sort out the problem of public borrowing "once and for all". Britain's economic recovery could only be sustained if the government tackled the budget deficit.

"My Budget today puts Britain firmly on course for a sustained period of rising prosperity and falling unemployment, based on low inflation and healthy public finances," he said. "This is a no-nonsense Budget which deals directly and firmly with the main challenges facing the country today. Above all, it is the Budget of a responsible government which is determined to bring lasting recovery to Britain."

His measures, he said, were designed to reduce the defict by £5.5 billion next year, £7 billion in 1995-6 and £10.5 billion in 1996-7, equivalent to 1.25 per cent of GDP by the end of this parliament. He added: "It should eliminate borrowing to finance current spending by 1997-7 and eliminate government borrowing entirely by the end of the decade."

City economists were doubtful last night, however, whether the government's rather cautious forecast of 2.5 per cent growth next year would be met because of the assault on the economy through higher taxes and spending controls. Economists at Nikko Securities, in a Budget reaction entitled "Clarke Cons the Country" questioned where such growth would come from with spending battened down, exports faltering because of recession in Europe and the consumer under assault. Like many other City voices, they also questioned the arithmetic: "The main problem is that the Chancellor's statement is long on hopes and promises and short on immediate action."

There were some misgivings about the fact that Mr Clarke achieved cuts in the government's control totals almost entirely by raiding the contingency reserve. John Shepperd of Yamaichi International Europe said bluntly: "There are no cuts in public spending".

Backbenches swamped by a wave of relief

By Arthur Leathley, Political Correspondent

A WAVE of relief swept over the Tory backbenches last night as MPs reacted with initial delight to a Budget they felt would pump up the deflated morale of Conservative voters.

However, as Tories digested the complexities of the first unified Budget for a generation, there were also fears that the Chancellor's economic projections might prove over-optimistic.

Kenneth Clarke was given a rousing reception as he met backbench Conservatives for the traditional post-Budget meeting. Their praise for his Commons display and the compensation package to offset value-added tax on fuel was tempered only by some scepticism about how painful his planned savings programme might prove.

"It is the political equivalent of a medical mystery. The relief has come before the pain," said one of the most recent intake of Tory MPs. "We have to take the figures at face value and assume the savings can be achieved. I would like to look at them much more closely before I'm convinced."

A senior right-winger marvelled at Mr Clarke's presentational skills but added: "Politically it was extremely adroit. Whether it is economically adroit is another matter." As a wave of euphoria greeted the VAT compensation measures, a ministerial aide warned that future cuts would be "both unpleasant and delayed. No one should underestimate the hardships ahead".

However, Mr Clarke's aid package for the elderly, poor and the so-called "nearly poor" was a significant fillip to backbenchers besieged since the VAT on fuel was announced in March.

Sir Rhodes Boyson, a former minister and leading right-winger, said: "It is a generous and well-targeted package. We are bringing back the pensioners on to our side — the voters we had lost. I am delighted that he has been able to provide real help without spreading VAT to other items. It has proved that Labour's scare stories were unfounded."

TORY REACTION

As nearly 100 Tory MPs left their meeting with Mr Clarke in high spirits, one compared the mood with that of the backbench meeting which followed Norman Lamont's March Budget. "We are in a different world today. There is genuine confidence and we can move forward."

The right of the party responded most positively, relieved that Mr Clarke had taken up their calls for spending cuts and given help to pensioners.

Sir George Gardiner, chairman of the 92 Group of Tory right-wing MPs said: "We have closed the gaping wound on VAT. It had to be good politically and that is very important." Some MPs emerged speaking of a general atmosphere of relief over the Budget as a whole and the generosity of the fuel VAT compensation package.

Nirj Deva, Brentworth and Isleworth, said: "I am more than satisfied because he took full regard of our concerns for pensioners." He also praised the Chancellor for helping small businesses.

Nicholas Budgen, Wolverhampton South West, said Mr Clarke "had a very warm and approving meeting".

Bernard Jenkin, Colchester North, said: "It's a tough Budget with some of the barbs removed."

But the left wing of the party, while delighted by Mr Clarke's negotiation of the VAT minefield, feared that the Budget could lead to potential difficulties emerging in 1996, shortly before a general election.

"There are colossal cuts which we cannot see yet. I fear that we are storing up problems that won't go away," said one senior left-wing Tory.

Peter Thurnham, MP for Bolton North East, said: "It is going to be a ferocious squeeze on waste which is not apparent at first reading."

Cuts in defence spending were described by some as "very big", and there is likely to be some opposition when details are spelt out by the fence secretary.

Chancellor praised by his predecessors

By Our Political Staff

THE former Chancellor Lord Lawson of Blaby said Kenneth Clarke had got the Budget just about right, but he warned that he would face some tough battles keeping to his public-spending cuts, not least from Cabinet colleagues.

"I think it's a good Budget. He was right to put as much emphasis as he did on cutting back on the growth of public spending. That's what's gone wrong hitherto," Lord Lawson said. "What matters now is that the totals which have been announced are adhered to, and that remains to be seen." He said the public spending cuts would be no tougher than those imple-

EX-CHANCELLORS

mented during the 1980s when he was at Number 11.

He also predicted that the government would have little trouble getting the measures through the Commons. He described the tax increases as regrettable but added: "What he has done will cause the least political hassle."

Lord Lawson also predicted that as long as the markets reacted well to the Budget a further half-point cut in interest rates could follow, "possibly quite soon". He said that if Mr Clarke could stick to his targets, tax cuts could follow as the economy picked up.

Norman Lamont, Mr Clarke's predecessor as Chancellor, said: "I think it's a very balanced Budget, a sound Budget. He's decided to address the problem with the Public Sector Borrowing Requirement but it is obvious that he's decided to do this not by cutting spending, but by tax increases. He's decided to have quite substantial tax increases."

Lawson: cuts will be tough to implement

Mr Lamont added: "I think this is a good budget, I think it's a very sensible budget. He has done what I hoped he would do."

Mr Clarke's plans were helped by the fact that lower inflation had reduced costs, he said. Help for people facing higher domestic fuel bills caused by VAT was "very generous".

Mr Lamont said the Chancellor appeared to have been strongly influenced by representations from small shopkeepers in his decision not to raise duty on beers and spirits. He was surprised Mr Clarke did not give more details of public spending proposals.

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INLA 'planned to blow those English bastards to pieces'

By Richard Duce

AN MI5 informer yesterday told a jury that when he infiltrated an Irish terrorist group he uncovered a plot to "blow those English bastards to pieces".

Under tight security at the Old Bailey, Patrick Daly said his republican political credentials had led him into the world of terrorist planning and a scheme by the Irish National Liberation Army to steal explosives from a Somerset quarry for a bombing campaign aimed at a ferry, oil and gas installations, MPs and the military.

Mr Daly, 44, who has been given a new life and identity away from Ireland, is the key prosecution witness in the case against Martin McMonagle and Liam Heffernan, who were arrested in an armed police trap at the quarry last February.

Mr McMonagle, 31, from Limerick, and Mr Heffernan, 31, from Belfast, deny charges of conspiring to cause explosions with intent to endanger life, conspiring to steal, and possessing a firearm with intent to endanger life.

In the elaborate measures taken to preserve Mr Daly's anonymity, two-thirds of the court was screened off behind a 6ft high brown paper screen. Only the judge, defendants, lawyers, court officials and the jury could see him. Reporters and the public had to follow proceedings by sound alone. In the public gallery above the jury, the front row was roped off to prevent anyone looking down into the well of the court.

Mr Daly told the court that Mr McMonagle, alleged to be the leader of an INLA active service unit, had said at a meeting in Ireland to plan the mission that "it was vital that they got explosives to boost the morale of the organisation and that they needed to carry out a few assassination attempts on Loyalists".

Mr Daly went on: "He said that they would like the explosives for a bombing campaign on the mainland and in Northern Ireland and they would like to blow those English bastards to pieces." Mr Daly, who was a member of INLA's political wing, the Irish Republic Socialist party, told the court that he was approached by Hugh Torney, the terrorist group's chief of staff in Belfast, and asked to carry out intelligence work in the Bristol area to find a suitable quarry to target.

Mr Daly had lived in Bristol for about 20 years, and during that time had become a police informer. A few months after his return to Ireland in 1989 he had become an informer against the INLA for MI5.

As the plan to steal explosives developed last year, Mr Daly reported back to his security service contact that a three-man active service unit planned to operate from Bristol. Mr Daly was entrusted with reconnaisance work and found a safe house in the St George area which had, in fact, been secured by MI5. Police and the security service then bugged the property.

> 'They wanted explosives for a campaign on the mainland. It was vital to boost the morale of the organisation and they needed to carry out a few assassination attempts'

Mr Daly said that it was from that house that Mr McMonagle and Mr Heffernan, together with a third man, Anthony Gorman, set out for the quarry at Westbury-sub-Mendip, Somerset. Waiting police were forced to spring their trap early when Mr McMonagle stumbled over a concealed police officer. The two defendants were arrested but Mr Gorman got away.

Mr Daly said that in a meeting in Dublin last December with Mr Torney, codenamed within the INLA as Cue Ball, the subject was also broached of him helping in the murder of a soldier at the army recruiting centre in Bristol.

Mr Daly said: "He asked me to do intelligence work on the movement of soldiers, where they lived, the time they arrived and the time they departed. It was to kill another soldier. He said it would be very easy."

However, by January 7 this year, Mr Daly said that Mr McMonagle, whom he first met through the IRSP, told him the recruiting centre plan was to be dropped in favour of the quarry theft, which had first been discussed in the summer of 1992.

The quarry raid had been suspended for lack of funds, but Mr McMonagle is alleged to have told Mr Daly that the INLA had received £3,000 from a bank robbery.

Mr Daly claimed that Mr McMonagle had said it was impossible to get hold of explosives in Northern Ireland for their campaign.

During that discussion with Mr McMonagle, on a car journey from a village near Galway to Limerick, Mr Daly said a third man was present whom he knew as Pat the Welder. The prosecution alleges the man was Mr Gorman and it would have been his job to break into the explosives store at the quarry using oxy-acetylene equipment. Mr Daly was also asked to obtain welding equipment in the Bristol area because it would be difficult in Northern Ireland, where the gas casings are used by terrorists to make mortar bombs.

Mr Daly told the court that on January 24 this year at a meeting in the Mayfair Café in Dublin, Mr Torney told him it had been decided that he should travel to Bristol on Monday, February 1, and would be joined by the others on the Tuesday or Wednesday.

Mr McMonagle is alleged to have said he could not travel until the Tuesday evening because he had to sign on at the dole office in Limerick. He said Special Branch officers checked whether he attended.

The trial continues.

The headship of Britain's most famous school is given to a foreigner

PETER TRIEVNOR

Mr Lewis with his wife Vibeke on a visit to Eton, where he taught in the 1970s

New Zealander wins Eton post

By Ben Preston, Education Correspondent

ETON College appointed a New Zealander as Head Master yesterday. John Lewis, at present head of Geelong Grammar School in Australia, will take up the post in September.

Mr Lewis, 51, succeeds Dr Eric Anderson, who is stepping down after 14 years. The appointment ended fevered speculation, with several leading headmasters and William Waldegrave, the public service minister, tipped for the vacancy.

Several people from outside the world of education were considered after Eton hired a firm of headhunters. But the school's 12-strong governing body, led by the provost Sir Antony Acland, a former ambassador to Washington, and including Douglas Hurd, the foreign secretary, settled on a shortlist of about five current headmasters, of which Mr Lewis was the only person working abroad. The college had to telephone Mr Waldegrave to apologise for erroneous reports linking him to the vacancy.

Tim Card, the vice-provost, said Mr Lewis was chosen as an impressive candidate with a proven track record who clearly shared Eton's values after teaching at the school for nine years during the 1970s. He said: "Mr Lewis believes that school should be more than just a competition to get the best examination results and the best jobs. He is aware of the need to educate pupils for public service."

Mr Lewis is a rugby enthusiast, who obtained a double first in classics at Corpus Christi, Cambridge. He is married to Vibeke, a Dane, and taught in New Zealand and at Queen Elizabeth Grammar School, north London, before arriving at Eton in 1971. He moved to Geelong in Victoria in 1980 as headmaster. Its old boys include Sir John Gorton, the former Australian prime minister, and Kerry Packer and Rupert Murdoch, the media barons.

Foreigner to tread familiar territory

By John O'Leary, Education Editor

JOHN Lewis will be no stranger to Eton when he takes up the headmastership next autumn. He was Master in College for five years in the 1970s and he and his wife also spent much of a sabbatical last year at the school.

The distinction of being Eton's first foreign head will not be entirely unknown territory. A New Zealander in charge of Geelong Grammar, Victoria, Australia's best known school where he has been head for 13 years, is almost equally rare.

The Prince of Wales spent a year at Geelong in 1966. Although co-educational for almost 20 years and founded to cater for the sons of gold prospectors and sheep farmers, its boarding tradition, size and international reputation all make for parallels.

Apart from a brief spell at Auckland University, Mr Lewis has spent all his working life in boarding schools. He said on his return to Eton last year: "Those of us who work in boarding set great store by the boarding experience. We value hugely the sense of community and the chance to do a whole range of things side by side with boys and girls."

Mr Lewis played down his enthusiasm for co-education yesterday. "I imagine it's been subject to discussion and thought from time to time at Eton, and they have good reason to continue the way they've been. Geelong made a comparatively early commitment to co-education in the 1970s and it suited Geelong very well, but I think schools have to find their own way forward in this matter."

Bush given honorary knighthood

By Michael Binyon, Diplomatic Editor

GEORGE Bush was made an honorary knight yesterday, joining Ronald Reagan, his predecessor in the White House, among a select band of foreigners who have contributed "exceptionally outstanding" services to the Queen.

At a Buckingham Palace ceremony, the Queen invested the former president with the insignia of an honorary Knight Grand Cross of the Order of the Bath, an award normally reserved for senior officials, indicating that it was Mr Bush's leadership of the Gulf war alliance that was seen as his particular service.

Like all foreign citizens receiving knighthoods, Mr Bush will not adopt the title "Sir George". But he will be able to wear the insignia and use the initials GCB after his name.

The award was made on the recommendation of Douglas Hurd, the foreign secretary. During her visit to Florida in 1991, the Queen knighted General Norman Schwarzkopf, the allied commander during the Gulf war.

The Foreign Office said the award for Mr Bush was made with the full approval of the White House. Foreign citizens do not receive the accolade, so Mr Bush was not dubbed by the Queen with a sword.

Court circular, page 24

Chilly dancers feel the heat

By Alison Roberts, Arts Reporter

SUPER-strength heaters were placed in Manchester's Palace Theatre yesterday to warm up English National Ballet dancers who cancelled Monday night's performance because they were too cold.

The performers refused to dance the first night of Tchaikovsky's *The Nutcracker* because the temperature on stage was 64F — two degrees below the limit agreed by the artists' union Equity and theatre managers. Failed heaters, open doors and a bitterly cold night had caused the temperature to fall. The ballet company said that the dancers' muscles could be seriously damaged if they were not warm enough.

Yesterday the ballet company was confident that no further performances would be cancelled.

The postponement angered and disappointed the 2,000-strong audience. Although the cost of their tickets, some priced at £28, will be refunded, the remaining performances are sold out.

Andrew de Rosa, the theatre's manager, said: "It was not my final decision. I think it is probably reflecting badly on the theatre at the moment. That's unfair because it is not as if we failed to deliver." The dancers will still be paid for the night but the theatre has lost some £35,000.

Equity said yesterday that its members had been right to cancel. Martin Brown, a spokesman, said: "Dancers are highly trained: had one of the dancers been injured because of the cold, which was in breach of the agreement, the theatre's manager could have been liable for damages."

The English National Ballet rehearses in Manchester yesterday with extra heaters

Welsh police rise to royal occasion

By Alan Hamilton

SOUTH Wales police were out in force yesterday to provide security and crowd control for a visit by the Prince of Wales to Cardiff. The visit came only a day after the local police authority appealed to the royal family to make fewer official appearances in the principality as it could no longer afford the cost of guarding them.

The South Wales constabulary, which covers Mid, South and West Glamorgan, would not say how many officers had been assigned to the visit, but admitted that it was "a large number". Extra police were required partly because, in addition to the prince, Cardiff's visitors yesterday also included President Robinson of Ireland and the Aga Khan. Both were there to receive honorary degrees from the prince at the University of Wales, of which he is chancellor and which is celebrating its centenary this year. Police also had to cover a visit by President Robinson to law students at Cardiff University, and another by the Aga Khan to the University Hospital of Wales in the north of the city, where he met doctors, patients and medical students.

Police were also on the lookout for a demonstration by gay rights activists directed at Lord Jakobovits, the former Chief Rabbi, who was awarded a doctorate of divinity at the same ceremony. Homosexuals have taken exception to remarks made recently by Lord Jakobovits in which he suggested that genetic engineering might be able to remove the "gay gene", and that homosexuality was a disease.

Three other visits to Glamorgan are in the royal diary. Later this month the prince will address the Countryside Commission for Wales in Swansea, and the Princess Royal will visit Swansea prison as patron of the Butler Trust. She will return to Cardiff Arms Park in January as patron of the Scottish Rugby Union when her side plays Wales.

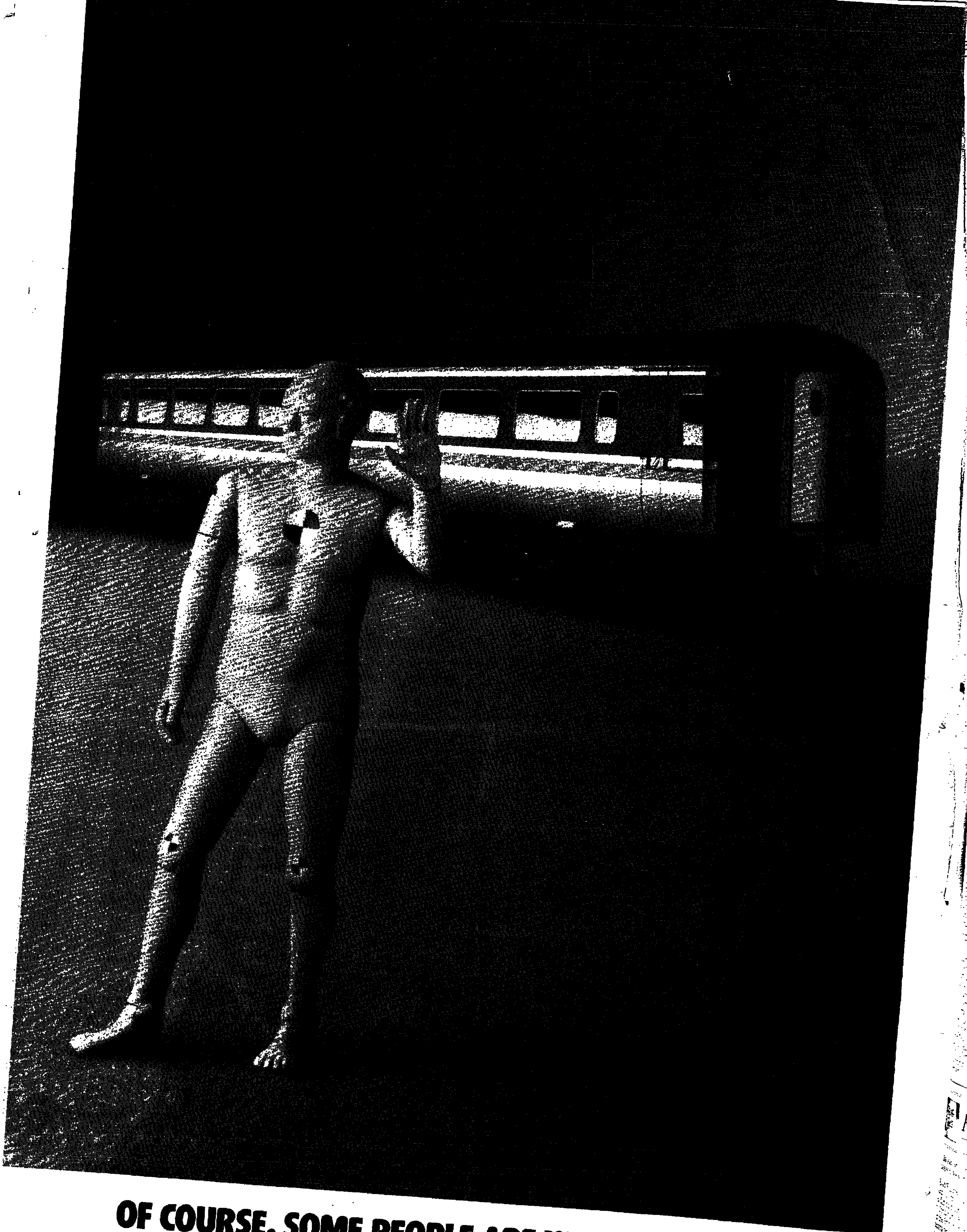
The appeal to the royal family to cut down its visits does not extend to the neighbouring county of Gwent. That county's police force cheerfully welcomed the prince on a brief visit to Newport yesterday before he travelled to Cardiff.

of his voice because the easily, it was like shaving" — which is not

JEREMY KINGSTON

The Theatre Club has arranged a special evening

Alexander Hanson and Kathryn Evans in *Love*



هكذا من الأصل

Guns shatter talk of peace in Ulster

■ As John Major defended contacts with the IRA, both republicans and Loyalists made a mockery of moves towards talks

By Nicholas Watt, Ireland Correspondent

A CATHOLIC workman was murdered and a policeman's home attacked yesterday as paramilitaries on both sides of Ulster's sectarian divide demonstrated the formidable obstacles facing the peace process.

Within hours of Sir Patrick Mayhew's statement in the Commons confirming government contacts with the IRA, Sean Hagan, 47, a factory worker, was murdered by Loyalist gunmen in Belfast. Hours earlier a police officer's wife and young family escaped unhurt in a gun and bomb attack, believed to have been carried out by the IRA, in Armagh.

Mr Hagan was shot as he prepared to drive home just after midnight from the European Components plant in Dundonald, east Belfast. His 650 colleagues at the factory downed their tools yesterday in protest at the shooting by members of the outlawed Ulster Freedom Fighters.

He was the first civilian to be shot since the Greysteel massacre at the end of October when UFF gunmen shot dead seven people. His family appealed yesterday for no retaliation. His son Gerard, one of five children, could not understand why his father should have been chosen by the gunmen. "My father was a hard-working man who loved gardening," he said. "Mum is devastated and just keeps asking herself why? He was never involved in anything in his life, none of the family has been."

Ernie Benson, head of personnel at the company, which makes seat belts, praised tha family's reaction. "The management and the employees are totally devastated by what has happened. We have always had harmonious relations in the plant."

Despite the talk of peace from republicans in the past week, the movement was responsible for two attacks within 24 hours of Sir Patrick's statement. In the first incident, gunmen opened fire on a police officer's home in Armagh late on Monday night. He was out at the time, and his family escaped injury. Two local councillors from the Social Democratic and Labour party and the Ulster Unionist party joined together to say: "So much for talk about peace."

In the third attack, a "coffee jar" bomb was thrown at an army foot patrol in the Catholic Ardoyne area of Belfast yesterday. No one was injured.

□ John Major yesterday defended the government's contacts with the IRA and told the Commons: "I do believe contacts can play a useful part. I hope that those contacts will have helped the IRA to understand that violence must stop before those who justify it can enter negotiations with the government."

Mr Major welcomed the "very strong support" given by MPs on all sides of House to Sir Patrick statement on Monday and added: "I regret very much that there hasn't yet been a permanent cessation of violence.

"When the people of Northern Ireland have had a chance to study what was said they will see the government has acted properly and done its duty throughout this whole affair. But if our present efforts do not succeed we shall not cease to explore opportunities for peace."

United fans released after three weeks in Turkish jail

Six Manchester United supporters — the sixth is partially hidden on the left — were set free by an Istanbul court yesterday after spending three weeks in the notorious Bayrampasa prison. (Andrew Finkel writes). They were arrested last month, when United were beaten in the European Champions Cup by Galatasaray of Istanbul, after a brawl at a hotel which resulted in damage of £12,500.

The men were not formally acquitted but were released on a technicality after it bcame clear that hotel staff were unable to identify the ringleaders.

Judge Necati Ascioglu suggested that the men should spend one more night in jail to avoid clashes with protesters outside the court, angered by reports that some of the United fans had desecrated the Turkish flag. The six were charged with criminal damage and being drunk and disorderly.

A lawyer for the six men, who included the group's tour operator, told the court they had been made scapegoats. Husamettin Nisanci said: "Something happened that night, but you cannot pin it on these people. It's not possible to prove they did this. There is no definite evidence." Much of the evidence that was given in court suggested that most of the damage had been done by a crowd of Turks who had gathered outside the hotel.

The men's solicitor asked whether the judge would consider granting the men bail, but the judge went further and released the supporters, who had become known as the Istanbul Six, unconditionally. They are due to return home today, freed from the prison whose harsh regime was highlighted in the film *Midnight Express*.

Fewer in pews but collections increase

By A Staff Reporter

THE number of church worshippers has fallen to its lowest level since annual surveys began in 1968, but collection plates are swelling.

Church of England figures published yesterday show Sunday attendances slipped by about 3 per cent over the five years to 1991 to 1.13 million, with most of the loss in the under-16 age group.

However, fears that the recession would hit church finances have so far proved unjustified. Whereas in 1990 giving to the church increased by less than the rate of inflation, the growth in 1991 exceeded inflation. Total voluntary giving rose by 3 per cent in real terms, which was equivalent to an average of £2.72 a week per church member, up from £2.54 the previous year.

Despite the downward trend of attendance figures, church officials say commitment to the church is growing, as shown by confirmations rising almost 4 per cent to 57,000 in 1992 — the first increase for 12 years.

Edinburgh loses gallery to Glasgow

By Gillian Bowditch
Scotland Correspondent

GLASGOW has won its two-year battle against Edinburgh to house the new National Gallery of Scottish Art.

Angus Grossart, chairman of the trustees of the National Galleries of Scotland, said Glasgow was chosen for a number of reasons. "The promise of loans of work, the potential number of visitors and the number of dynamic features of the development potential all played a part."

The gallery will be built in Kelvingrove Park, in the West End, close to the Kelvingrove Art Gallery and Museum and the University of Glasgow. Mr Grossart said the trustees would now look at the two designs submitted by architects Sir Norman Foster and Terry Farrell, but were not obliged to choose either.

A decision on who will build the gallery will be made by the end of next year. The present National Gallery will remain as Edinburgh's Gallery of Modern Art.

Furrier is injured by letter bomb

By Richard Ford
Home Correspondent

A FURRIER and his three-year-old daughter were injured yesterday in a letter-bomb attack at their home, believed to have been carried out by animal rights activists.

The parcel, containing a distress flare that exploded as the packet was being opened, had been addressed to Haydon Noble, 47, at his home in Gloucester Square, Paddington, central London. He was taken to St Mary's Hospital, Paddington, and treated for burns to his hands. His daughter was treated for grazes and shock.

A painter working outside the first-floor flat said he heard a crack as he painted a window frame. "I didn't know what it was but there was this bright flash which was burning," he said.

Anti-terrorist squad officers went to the scene of the attack and later Scotland Yard said they believed the incident was linked to animal rights activists.

KEENE on CHESS

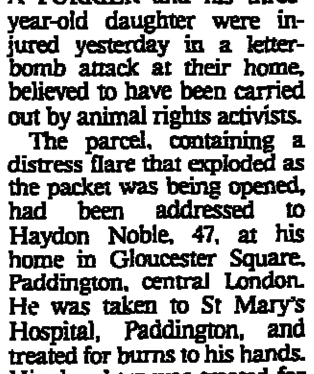
By Raymond Keene
Chess Correspondent

TODAY'S game celebrates the award of the grandmaster title, for past achievement, to Dr Jonathan Penrose. He won the British championship a record ten times from 1958 to 1969 and has been the highest rated player of postal chess in the world.

White: Jonathan Penrose
Black: Mikhail Tal
Leipzig Olympiad 1960
Modern Benoni

1	d4	Nf6
2	c4	c5
3	d5	e6
4	Nc3	exd5
5	cxd5	d6
6	e4	g6
7	Bd3	Bg7
8	Nge2	0-0
9	0-0	a6
10	a4	Nbd7
11	h3	Qc7
12	f4	Re8
13	Ng3	c4
14	Bc2	Nc5
15	Qf3	Nfd7
16	Be3	b5
17	axb5	Rb8
18	Qf2	axb5
19	e5	dxe5
20	f5	Bb7
21	Rad1	Ba8
22	Nce4	Na4
23	Bxa4	bxa4
24	fxg6	fxg6
25	Qf7+	Kh8
26	Nc5	Qa7
27	Qxd7	Qxd7
28	Nxd7	Rxb2
29	Nb6	Rb3
30	Nxc4	Rd8
31	d6	Rc3
32	Rc1	Rxc1
33	Rxc1	Bd5
34	Nb6	Bb3
35	Ne4	h6
36	d7	Bf8
37	Rc8	Be7
38	Bc5	Bh4
39	g3	Black resigns

Diagram of final position



Winning Move, page 52

Armed raiders put police in line of fire

By Ronald Faux

A POLICEMAN was shot and a policewoman threatened with a sawn-off shotgun as they chased robbers in two separate raids in the North West yesterday.

PC Mark Driver, 26, based in Burnley, was hit in the knee and hand by shotgun pellets when he answered an emergency call and saw masked gunmen robbing a van outside a post office in Burnley, Lancashire.

The raiders then hijacked three separate vehicles at gunpoint. One of them was later found abandoned in Reedley. A police helicopter joined the hunt for the robbers.

In the second incident, PC Nicola Bailey, 28, who had recently returned to duty after the birth of a daughter, was on patrol in a panda car when she was alerted about a raid on a National Westminster bank at Congleton, Cheshire.

As she neared the bank, the two raiders who had robbed it at gunpoint of more than £1,500 drove their getaway car at her in the centre of the road.

The cars collided but PC Bailey was able to pursue the robbers' car, which veered on to a grass verge. The passenger climbed out and levelled a gun at her, warning her that if she came any nearer he would shoot.

They drove off with PC Bailey still following. They stopped and one man levelled a gun at her before running off into a housing estate.

A man was later arrested and was being questioned by police. They are still hunting another man, who they described as being aged about 30, 5 ft 10 in tall and with ginger hair. He was wearing jeans or corduroy trousers and a padded jacket.

Superintendent David Jones, Cheshire police divisional commander at Macclesfield, said later that one of the firearms recovered was loaded and that what had been an excellent piece of police work by PC Bailey, who has two children, could very easily have been transformed into tragedy.

He said: "Rather than ducking down into her car when the gun was pointed at her she continued to give chase. Poor Nicola would only say that she was annoyed with herself because she was not fully fit, having just returned three weeks ago from having her second child, or she would have caught the man she ran after. That really shows the character of the young lady concerned."

Cheshire police have appealed for witnesses to the bank robbery and the ensuing events.

PC savaged

POLICE dog handlers were yesterday searching a north London estate for a pit bull terrier which savaged an officer as he tried to question two men.

The attack, which took place at Broadwater Farm in Tottenham where PC Keith Blakelock was hacked to death during riots eight years ago, left the officer with head and leg wounds. An officer who witnessed the incident was treated for shock.

Two men were arrested at the scene. They were later found to be carrying a gun and a knife.

MARTIN BEDDALL

Young pupils of Manor Lodge School, near Radlett, make the most of their school's reprieve after some £250,000 was raised to save it

Parents and staff bail out school

By Ben Preston, Education Correspondent

PARENTS and teachers have saved a preparatory school from closure after raising more than £250,000 in an eleventh-hour rescue package. They have bought Manor Lodge School, near Radlett, Hertfordshire, from the receivers, securing its future.

The move ended six weeks of uncertainty that threatened the education of 240 pupils aged four to 11 and the jobs of 34 staff. Last month, as pupils started the half-term, receivers were called in to Wideprime Ltd, which ran the school and owed three lenders more than £1.3 million.

The first that parents heard of the crisis was an invitation from the receivers to an emergency meeting. They immediately began considering ways of saving the school.

As rumours of outsider interest in a takeover failed to materialise, some parents investigated the school's finances and concluded it was viable. The parents negotiated a rescue package with the receivers, which was outlined to a second meeting of parents and teachers ten days ago.

In the course of a dramatic evening a target of about £250,000 was raised in voluntary, anonymous donations.

Basil Flashman, the headmaster, said relations between staff and parents had always been close. "This is an amazing effort. It has shown how loyal, supportive and helpful the parents are to this school."

□ A private girls school is being forced to shut because of competition from successful state rivals. Lyndale School in St Albans, Hertfordshire, will close at Christmas after a steady decline in pupil numbers and strong performances from neighbouring state secondaries in national league tables. Teresa Graves, the headteacher, said: "The state system in St Albans is so good, small independent schools such as ours are suffering."

Hunt stays true to his wild days

By Bill Frost

HAVING lost a fortune on doubtful business ventures and on an expensive divorce settlement James Hunt still managed to squirrel away enough money to guarantee himself a high octane send-off.

In death as in life, the former motor racing champion was generous to an extravagant fault. Among Hunt's last requests was that a suitable wake should be held.

His will, published yesterday, showed that £376,895 was all that remained of an estate worth £1,232,942 before tax and debt repayments. £5,000 went to Hunt's younger brother, Peter, with the instruction that he would arrange a wake "in the style he knows I would wish".

Hunt, who died last June from a heart attack at the age of 45, had once enjoyed the dubious accolade of being motor-racing's wildest spirit.

However, in recent years he had given up life in the fast lane and turned to breeding budgerigars. He had given up alcohol and stopped smoking.

But he had also fallen on harder times. Hunt was said to have retired from racing in 1979 with a fortune that should now have been worth £5 million, but ended up swapping his Mercedes for a bicycle because he could not afford the tax and insurance.

The will, dated August 25, 1989, states that the remainder of the net estate should be left in trust for Mr Hunt's wife for life or until remarriage, and then to his children, Tom, seven, and Freddie, five, on their twenty-fifth and thirtieth birthdays.

However, Mr Hunt was divorced from his second wife, Sarah, four years ago. His last companion was Helen Dyson, a 26-year-old artist.

NEWS IN BRIEF

Court clears Tony Lock

The former England spin bowler Tony Lock was acquitted by a court in Perth, Australia, yesterday of indecently assaulting a girl he coached in bowling six years ago.

The complainant, now 21, had told the court that Mr Lock indecently assaulted her in 1987 after inviting her to his Perth home for a bowling lesson. She said she did not tell her mother of the alleged incident for four years.

CSA upset

The Child Support Agency has told a widowed woman to claim maintenance from her husband. Ann Darbyshire, of Northumberland, told the social security department three times of the death of her husband Raymond, who had had cancer, but the CSA twice wrote saying she should claim payments from him.

Child found

A two-year-old girl who vanished with her father two months ago has been reunited with her mother. Laura Jane Mateus, of Blyth, Northumberland, was found in a hotel near Gatwick airport. A man with her was arrested.

Girl's death

A schoolgirl died of an overdose after telling police she had been attacked by a girl, an inquest heard. Serena Steele, 14, of Perry Barr, Birmingham, died the day after making the complaint of bullying. The inquest was adjourned.

Disney boost

The travel agent Thomas Cook has predicted a doubling in the number of British visitors to EuroDisney in France. The theme park has had financial problems and had been said to be over-priced.

Spuds freed

The Potato Marketing Board, which operates against sharp fluctuations in supply and of price, is to be phased out over three years, opening the way to a free market in potatoes.

هكذا من الأصل

King coal holds key as reformists fight for miners' vote

Gaidar: pledged to pay back government debts

FROM ANATOL LIEVEN IN MOSCOW

AS RUSSIA'S election campaign intensifies, pro-Yeltsin politicians are joining those of the opposition in adopting increasingly populist stances. With a victory for the reformist blocks in question, reformist ministers are also having to make concessions to powerful economic interest groups.

Chief among the beneficiaries are likely to be Russia's coal miners. Trades union leaders in the Arctic mining centre of Vorkuta said that they may go ahead with a planned strike today despite government offers to meet some of their demands. The miners say that many of them have not been paid for months, and that state debts and promised subsidies are also in arrears.

The miners' hand has been strengthened by the harsh winter, of a sort almost forgotten over the past few mild years. Much of Russian energy production is dependent on coal, and state demands have risen sharply over the past weeks. The miners have also threatened to boycott the December parliamentary elections and the referendum on the constitution.

Faced with a threatened strike by miners all over Russia, Yegor Gaidar, the deputy prime minister and leading radical reformist, has in the past few days visited both Vorkuta and the other main mining centre, the Siberian Kuzbas. Kuzbas leaders said yesterday that thanks to the agreement he reached with them, they will not be joining a strike this week.

In Vorkuta, Mr Gaidar signed an agreement with miners' leaders promising to pay within a week the state debt to the mining industry. The government owes the mines about three billion roubles (£1.6 million) in promised subsidies and benefits for September alone, quite apart from payments for coal delivered and unpaid salaries. On Friday, Oleg Soskovets, deputy prime minister, said that the government has found 77 billion roubles to pay miners' wages.

RUSSIAN ELECTION

Many of the huge metallurgical plants that are main receivers of coal are months in arrears with their payments. They cannot pay, because they themselves have not been paid by their industrial clients. In a classic push to the inflationary cycle, they have fallen back on the state for help.

This is the third time since the Soviet collapse began that the miners have forced significant changes on the government in power. In 1989, a miners' strike forced Mikhail Gorbachov to make concessions that fatally undermined both his prestige and the Soviet rouble.

In 1991, another strike helped herald the end of the Soviet Union itself. In neighbouring Ukraine, which is even more dependent than Russia on coal production, subsidies to the mines have helped drive the currency into hyper-inflation.

The subsidies to the coalminers agreed this week are, of course, against Mr Gaidar's economic philosophy and programme, which is centrally dependent on cutting the budget deficit to bring down inflation. However, this is not the first economic concession he has had to make in the course of this election campaign. Last week, in a concession to Russian banks, whose support his Russia's Choice block is wooing, Mr Gaidar agreed to the placing of strict restrictions on the activity of Western banks in Russia. This move drew a protest from the European Commission. Mr Gaidar has also promised higher tariffs against Western goods to protect Russian industries.

The reformists are making populist appeals not just in the economic sphere but also in that of Russian nationalism. A surprising recruit has been Andrei Kozyrev, the foreign minister and long a hate figure for the opposition because of his alleged weakness towards the West and failure to defend the interests of ethnic Russians in other former Soviet republics.

Campaigning in his home constituency of Murmansk in recent days, the mild Mr Kozyrev has issued a series of attacks on other former Soviet republics. After a shooting incident on the Armenian border involving a Russian envoy last week, Mr Kozyrev threatened Armenia with a halt to Russian aid and even hinted at military intervention.

In another statement, Mr Kozyrev declared that Moscow will "*protect the Russian population* and Russia's interests in a tough manner, wherever it is needed and whoever is concerned, even if it be our friends". Mr Kozyrev's statement drew a furious response from President Nazarbayev, hitherto Russia's closest ally in the Commonwealth of Independent States. Mr Nazarbayev had already been alienated by Russia's abandonment of the rouble zone, which has forced Kazakhstan to launch its own currency in unfavourable circumstances.

Mr Nazarbayev said that Russians in his republic are protected by the state, and that Russia has no right to intervene on their behalf. He compared Mr Kozyrev's approach to that of Hitler in exploiting the position of the German minority in Czechoslovakia.

The question is whether when this election campaign is over, the reformists will be able to put their populism back in the cupboard and revert to their former policies. But a strong opposition showing in the elections could well mean that from now on the "democrats" will be permanent hostages of economic and national populism.

Long arm of America guides sparring Europeans towards global free-trade accord

Mitterrand and Kohl try to save farm deal

FROM ROGER BOYES IN BONN AND CHARLES BREMNER IN PARIS

GERMANY and France tried yesterday to piece together a formula that would allow Paris to sign the Blair House accord on farm exports and thus clear the way for a global free-trade agreement.

Helmut Kohl, the German chancellor, President Mitterrand and Edouard Balladur, the French prime minister, embarked on two days of talks aimed primarily at finding ways of meeting the December 15 deadline for the signing of the General Agreement on Tariffs and Trade (Gatt) deal. The chancellor is torn between preserving the largely sentimental but also economically significant axis with Paris and building on the crucial but largely unformed relationship with the US administration. President Clinton telephoned Herr Kohl this week and asked him to bring France into line. Last week he asked John Major to pass on a similar message to Bonn.

President Clinton, who played sax whenever he tired of speaking in his election campaign, has been invited by the people of Dinant, in the Ardennes, to visit the grave of Adolphe Sax, Dinant's favourite son and inventor of the saxophone. Organisers say that the White House favours the idea.

The US approach may be a little heavy-handed, but it does show an understanding of the chancellor's thought processes: Herr Kohl sees a clear link between a US-European agreement on farm exports and the outcome of the Nato summit in January. "It is absolutely top priority to keep America involved in Europe," a chancellery aide said. "The Clinton administration has shown that it can all too easily turn away from Europe."

The chancellor initially had shown some sympathy for the French position on Gatt. This was more than the gentle back-scratching that makes up the Franco-German relationship. East German farmers were also being disadvantaged by the Blair House deal which aims to restrict subsidised cereal exports outside the European Union.

However, Herr Kohl has swung well away from the French position, and not only because of the intense US lobbying. The turning point came during a visit to China last month when he was accompanied by some of Germany's leading businessmen. They all emphasised the pivotal importance of reaching a quick Gatt deal. Herr Kohl listened intently. France, one of the German industrialists argued, was even restricting the import of Chinese bicycles and was working to make the whole European approach to Asia more protectionist. At a time when President Clinton was establishing a continental free-trade area in North America, France — competitive in China only because of subsidies to steel and railway manufacturers — was trying to bring the shutters down. By last weekend Herr Kohl had ruled out one possible pro-French option — to plead jointly with Paris for an extension of the December 15 deadline. In a meeting with Felipe González, the Spanish prime minister, both men underlined the importance of the December deadline.

Two of the cartoons featuring in a London exhibition called "Oh God! Not Maastricht Again". The works, by members of the British Cartoonists' Association and their Danish counterparts, are showing at the Danish embassy from today until Tuesday from 10am to 4pm

The Germans realised that the French problem is one of political management rather than stark economics. The amount of French farm exports affected by the Blair House accord is less than 0.3 per cent of the farm export total, according to the newspaper *Libération* yesterday.

Germany has a much weaker farm lobby than France, but it understands something of the noisy disruptive power wielded by farmers. Indeed, German farmworkers were blockading the German-Dutch border yesterday to protest against European Community policies on German swine fever. The successful formula has in some way to address the fears of the French farmers without surrendering to them. That, it has become clear, can no longer be left to France alone: European solutions have to be found.

French officials were cheered yesterday by signs that the United States could be giving ground on the sticking points that Paris has made a focus of its rhetoric. Jacques Delors, president of the European Commission, told a parliamentary hearing that the Americans were "starting to move ... If there is no agreement there is a big risk of a return to protectionism," M Delors, a French socialist, said. Final talks get under way in Brussels today between Mickey Kantor, the US trade representative, and Sir Leon Brittan, the EC negotiator.

For M Balladur and M Mitterrand there is a need to obtain the strongest possible support from Herr Kohl to press the United States to give ground. Despite the daily incantation by French ministers that "France is not isolated", they are aware that Europe has not swung behind Paris and that, whether justified or not, the world is finding it convenient to view Paris as the spoil-sport. The chancellor has to accommodate conflicting forces.

On one side, the German government, oppositon and industry leaders see Gatt as vital to the German economy. On the other, loyalty to the Franco-German axis dictates support for France.

☐ **Miami:** Central American heads of state had breakfast with President Clinton at the White House yesterday to request a Caribbean basin extension of trade benefits under the recently approved North American Free Trade Agreement, or Nafta, (David Adams writes). Regional leaders fear that the agreement will steer trade and investment to Mexico at the expense of weaker economies.

NEWS IN BRIEF

KGB coup leader shows no remorse

Moscow: The former KGB chief who masterminded the failed August coup of 1991 yesterday told a Moscow court that he was unrepentant and said that his only regret was that the attempt to save communist power and the Soviet Union had failed (Anne McElvoy writes).

Vladimir Kryuchkov, who has refused to comment on the putsch since his arrest, described the action as "a measure of our desperation in the attempt to stop the destruction of the country". He added: "It is not our guilt but our tragedy that the attempt failed."

Mr Kryuchkov was speaking at the resumption of the trial before a military court. It has been suspended several times because of the illness of some defendants and there are doubts about whether it will ever reach a verdict.

The 12 former senior communists accused of high treason argue that they cannot be tried by a Russian court since they acted according to the communist constitution of the Soviet Union. "Our Motherland no longer exists. A new country exists which is led by the people who destroyed the old one," he said.

His fellow conspirator, the Soviet parliamentary chairman Anatoli Lukyanov, has returned to the public eye as a Communist Party candidate in the elections to a new parliament.

Doctor gives up

Royal Oak, Michigan: Jack Kevorkian, a retired pathologist, has surrendered to police to face charges of violating the state's assisted suicide law. Dr Kevorkian, 65, had been considered a fugitive even though his lawyer said he would appear in court. *(Reuter)*

Ice block

Paris: Ice forced both international airports in Paris to close and made driving hazardous across northern France. Rain falling after a two-week cold spell turned to ice on the ground, making even walking a problem on the capital's streets. *(Reuter)*

German threat

Bonn: The government has threatened to dismiss civil servants who belong to the radical-right Republican party founded by a former Nazi SS soldier because it pursues "unconstitutional goals". The party has about 30,000 members nationwide. *(AP)*

Bugs abound

Tokyo: About 60,000 tiny radio microphones are sold in Japan each year, according to a specialist quoted in the *Japan Times*. Some devices can pick up a conversation 50ft away and relay it to a receiver about two miles distant. *(AFP)*

Drop out

Long Beach: Ricky Gonzales, 31, is facing a possible $250 (£170) fine after being summoned for breaking a by-law by eating a cough drop at a Los Angeles station. The sheriff's office said a cough drop was technically food. *(AP)*

Rice age

Peking: Gong Laifa, at 131 China's oldest man, is single, eats two meals of rice a day and is in bed by 8.30 pm. "Following the same routine for the past 100 years has been the key," the official *China Daily* said. *(Reuter)*

Muslim delegates accuse Serbs of undermining Bosnia talks

FROM ADAM LEBOR IN GENEVA

THE Muslim-led government of Bosnia-Herzegovina said that fresh peace talks were in danger of collapse just hours after restarting yesterday, because the Serbian team was refusing to negotiate on the basis of a European Union peace plan.

Mohamed Sacirbey, Bosnia's ambassador to the United Nations, said the talks were at a critical stage and accused the Bosnian Serbs of failing to stick by the agreed mandate for renewed talks. Instead of seeking Serbian territorial concessions as outlined by the EU, talks began with the issue of Sarajevo, which the Muslim-led government considers solved, Mr Sacirbey said. There was a marked increase in shelling and small arms fire in the Bosnian capital as the talks began.

However, leaders of the three factions accepted the principles of an EU initiative that would progressively suspend sanctions against Serbia in exchange for a peace deal dividing the republic along ethnic lines. It is the first time that representatives of the three sides have met in Geneva since September, but Lord Owen and and Thorvald Stoltenberg, the peace negotiators, were pessimistic yesterday about the chances of a swift agreement.

Bosnian Serbs are being asked to hand over about 3 per cent of the land they hold to the Muslim-led government. Paradoxically, the longer the war lasts, the stronger the position of the Bosnian government becomes. The Bosnian army is better organised and disciplined than the Bosnian Croat forces against whom much of the fighting in Bosnia is taking place, and the Bosnian army is now holding its ground on several of the front lines.

The aid effort, which feeds the Bosnian army as well as hungry refugees, is set to continue throughout the winter. In Rome yesterday, Warren Christopher, the US Secretary of State, announced American plans to double the relief flights to Sarajevo.

Serbia's economy is devastated and President Milosevic is desperate to see sanctions lifted against Yugoslavia, especially before the Serbian elections in December. Croatia, now also branded as an aggressor in Bosnia, is also coming under increasing international pressure to rein in its forces and sign a deal with Bosnia.

Nations split on Russian peacekeeping

FROM JOHN PHILLIPS IN ROME

FOREIGN ministers from more than 50 countries argued yesterday at a European security conference over Russia's attempt to take on a peacekeeping role throughout the former Soviet Union.

Andrei Kozyrev, the Russian foreign minister, presented the Conference on Security and Co-operation in Europe (CSCE) with a document on "aggressive nationalism" in Georgia and Nagorno-Karabakh, diplomatic sources said. Russia hopes the document will lead to condemnation of such nationalism in a final declaration today. Russia was supported by Romania, which also asked for a return of CSCE observers to Kosovo.

Beniamino Andreatta, the Italian foreign minister, said the conference should not only seek to prevent crises but dedicate itself to their solution. The CSCE includes the United States and Canada, European states and former Soviet Asia.

The Italian position reflected the European Community's willingness to look at any Russian peacekeeping role case by case, but Margaretha af Ugglas, the Swedish foreign minister, voiced the unease expressed in behind-the-scenes diplomacy by East European and former Soviet states. Certain countries "openly declare they have their own interests to protect. Understandably the legacy of history creates some misgivings about the nature of such interests," she said. The division over Russia's peacekeeping aspirations mean the issue might not figure prominently in the final declaration.

☐ **London:** Britain yesterday criticised Ukraine for setting its own terms for shedding its nuclear arsenal — and offered to help dismantle the bombs. *(Reuter)*

Time for a change in Europe

FROM JAMES LANDALE IN BRUSSELS

CONTINENTAL Europe will gain an extra month of summer time from 1996 after European Community ministers yesterday agreed to harmonise the time when clocks are put back an hour in autumn.

The ten EC countries which change their clocks at the end of September will delay the change until the end of October. This will bring them into line with Britain and Ireland. The trial will run until 1997 when the matter will be looked at again.

EC clocks are already put forward at the same time in spring and the decision means that British time will consistently be one hour behind continental Europe throughout the year. Businesses, airlines and tourist operators have long complained that they have to change their schedules for four weeks in October.

British diplomats welcomed the decision but said they had reservations about whether the EC should legislate on such matters. "At least is shows we have had it right all the time," one diplomat said.

France outlaws Kurdish groups

BY OUR FOREIGN STAFF

THE French cabinet yesterday banned two Kurdish groups, which it said were front organisations for the Kurdistan Workers' Party (PKK), while in Germany Kurdish groups told Bonn that curbs on their activities could result in retaliatory attacks.

Nicolas Sarkozy, a French government spokesman, said France's decision to dissolve the Kurdistan Committee and the Federation of Kurdistan Cultural Associations and Patriotic Workers was taken because "these organisations are involved in a number of criminal acts. They are fronts for the PKK organisation. The aim is to prevent such organisations from acting on our territory."

Azad Dere, a spokesman for the Kurdistan Committee, a mouthpiece for the Kurdish community in France, denied his group was a front for the PKK. "We have no direct links with the PKK. The fact is that the PKK exists wherever there are Kurdish people," he said. "We simply tell people about the repression that is going on in Turkey."

The move came four days after Germany banned the PKK as a terrorist organisation, and eight days after French police rounded up more than 100 Kurdish activists accused of planning terrorist activities. Twenty-four have been charged with terrorist conspiracy.

Cengiz Dereli, former spokesman of the Cologne-based Kurdistan Committee, which was outlawed on Friday, said Bonn had made a grave political mistake by supporting Ankara in its war against Kurdish separatists. "Germany has attracted the enmity of the Kurdish people by playing a supporting role in their annihilation," he said. "It is highly possible that German installations in Turkey and in Kurdistan will come to harm."

Lawyers said that Friday's ban on the PKK and 35 affiliated groups was unconstitutional. Roland Meister said a plea would be lodged with the federal constitutional court in Karlsruhe, challenging the ban.

The Turkish air force bombed PKK bases in northern Iraq yesterday, the semi-official Anatolian news agency said. Turkish aircraft flew 16 sorties against nine targets over an area of 156 square miles. Iraqi Kurds denounced the raids, saying they had killed three civilians and wounded six others.

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12 PAGES OF DETAILS AND ANALYSIS

THE BUDGET

Clarke lifts taxes and cuts spending to slash deficit

BY JANET BUSH, ECONOMICS CORRESPONDENT

THE Chancellor promised a much more radical assault on public finances than even his predecessor had imagined. He delivered a plan which relies not only on hefty tax increases in coming years but also on an apparent commitment to keep much tighter control on public spending.

Rather than being left with a very large Public Sector Borrowing Requirement of £30 billion in 1997/98, Kenneth Clarke now hopes to bring the deficit down to £12 billion in that year and virtually wipe it out in the next.

Combining an even larger rising wedge of tax revenues over the coming years than Norman Lamont envisaged in March with successive cuts in public spending, Mr Clarke intends the PSBR to be cut by £5.5 billion in 1994/95, by another £7 billion in 1995/96 and by £10.5 billion in 1996/97.

The plans announced yesterday mean an extra £1.68 billion in tax increases next year, a further £4.9 billion in 1995/96 and more than £6 billion tax rises in 1996/97. These come on top of considerable tax rises already announced by Mr Lamont, of £6.7 billion next year and £10.3 billion the year after.

In addition, Mr Clarke said public spending control totals will be cut by £3.5 billion in the coming fiscal year and by £1.5 billion and £3 billion in subsequent years. These lower totals will be achieved by the government plundering its Contingency Reserve, which is meant to be kept for special situations such as the Falklands conflict but is often used as a fund to pay for spending overruns by government departments.

Nevertheless, the view expressed in the City immediately after the budget speech was that taking money from the reserve is quite legitimate and positive because it means the extra cash is not available and so exerts an extra discipline in future years on spending departments.

Overall, the Budget represents a far more aggressive assault on the government's budget deficit problem than the City had been expecting. The fact that the strategy was built on arithmetic which involves both higher taxes and lower spending assumptions met with considerable favour.

Nevertheless, the sheer size of tax increases, coupled with the fact that public spending is, at the very least, not going to provide the boost to economic activity that it has during the recession, highlighted concerns about growth levels that can be achieved by Britain over the next few years.

Government growth forecasts appeared to be fairly sensible, clustered around independent forecasts from academics and the City. The Chancellor, as widely expected, upgraded his forecast for growth this year to 1.75 per cent from the 1.25 per cent predicted in March. For next year, the government is predicting growth of only 2.5 per cent — rather less optimistic than the 3 per cent forecast in March for the first half of 1994.

Douglas McWilliams of the Centre for Business and Economics Research, said the government may still be over-optimistic in its growth forecast for next year because of the £8 billion in tax increases. In 1994 the world economy, notably in continental Europe, will still be sluggish and the recovery will be heavily dependent on consumer spending. In 1995, however, the global economy should prove more helpful and British exports and investments will take more of a share of the burden of fuelling the economy.

There was widespread consensus in the City after hearing details of the Budget that the government will have no choice but to offset this considerable fiscal tightening with more interest rate cuts. The money markets did not move dramatically yesterday, discounting another half-point cut in interest rates by March but not expecting rates to fall yet.

Michael Saunders, chief UK economist of Salomon Brothers, said: "This budget means that interest rates could be cut again within the next two weeks if the financial markets react well, which they are, and interest rates will have to be kept low for a long time to counteract much higher taxes."

City economists said interest rates might be around 4 per cent by late next year if inflation remains low. The Chancellor yesterday stressed the improved inflation background, predicting that the underlying inflation rate, which excludes mortgage interest payments, will remain within the government's 1 per cent to 4 per cent target range throughout next year. Mr Clarke predicted that the underlying annual rate of inflation would stand at 3¼ per cent at the end of next year, falling to 3 per cent in the fourth quarter of 1995 and then steadily declining 2 per cent after another three years.

The Chancellor's programme for cutting the PSBR over the remaining years of this parliament immediately impressed the City but economists said that a health warning should accompany the figures. Gerard Lyons of DKB International said the Treasury's average margin of error on forecasting these figures over the last few years amounts to a possible error of £10 billion next year.

In economic terms, hopes of wiping out the PSBR almost entirely over the next five years depends crucially on achieving the growth assumptions outlined yesterday in the Budget red book. Government spending, a central element helping the economy during the recession, is no longer going to be a positive force. Exports are likely to continue to be contrained by recession in continental Europe and sub-par growth in the rest of the world and consumption is going to take a beating from higher taxes.

INSIDE

Tax on premiums surprises domestic insurance industry

BY SARAH BAGNALL, INSURANCE CORRESPONDENT

HOUSEHOLD and motor insurance premiums will be subject to a 3 per cent tax from next October, adding 35p a week to the average family's insurance bill. The additional annual charge of about £18 will be levied on top of the average family's bill of £600 a year for motor, home contents and building insurance.

Kenneth Clarke, the chancellor, said that, in a full year, the duty will raise £750 million for the Treasury. However, in an attempt to avoid driving business off-shore, export credit, aviation, marine, life and reinsurance premiums will remain exempt from tax.

Mr Clarke, announcing the change, said the country's financial services sector had always tended to be taxed much more lightly than in other industries. "In this Budget, I have decided to tackle one sector of this industry which is exempt from Vat. Virtually every other member state charges an *ad valorem* tax on insurance premiums. I propose now to do the same."

The change, which caught insurers by surprise, brings the UK into line with most members of the European Community, and the United States, where levies already exist. However, the 3 per cent duty is among the lowest in Europe and compares favorably to the 4 per cent to 5 per cent rate in the US and Canada. Policyholders in France face the biggest duties, 30 per cent on household insurance and 35 per cent on motor insurance, while those in Italy pay up to 21 per cent. Lower levels of 7 to 10 per cent exist in Germany and The Netherlands.

The new tax prompted concern that more people will opt out of insuring their homes and cars, a feature that has risen sharply in recent years as policyholders have faced massive premium rises as insurers try to rebuild profits. Andrew Paddick, director general at the Insitute of Insurance Brokers, said the new tax would add to the level of abstensions, already estimated at 20 per cent.

The insurance industry is concerned that duties will be increased in future. A spokesman for Royal Insurance said: "Once something has been introduced on to the tax list it tends to find itself on an escalator."

MATTHEW PARRIS
POLITICAL SKETCH

Monkey business from a lion tamer

This, said the Chancellor, was a no-nonsense Budget. As Mr Clarke sat down to Labour fury and disbelieving cheers from the Tory benches, cooler heads suspected otherwise: that this was a Budget with more monkey business in it than all the primate cages in London Zoo.

It was wonderfully political. The afternoon had a carnival atmosphere. For the first time in memory there were more women in red on the Tory than on the Labour side, and the ties were atrocious. Mood was betrayed early, when Labour's massive and jurassic Mildred Gordon (Bow and Poplar), 70, lumbered in to a wolf whistle from the Tory benches.

Hilarity increased when Michael Heseltine (from one side) and Clarke (from the other) both tried to sit on Michael Howard. Tarzan's determination to stay in the picture is relentless: but to see the slim home secretary squashed was cruel.

What happened on the Labour front bench was crueller. Harriet Harman had every right to be there, being shadow chief secretary, but would Doug Hoyle (Warrington N) and Robin Cook (Livingston) make a space for her? Would they heck! A male Scot and a Lancashire trade unionist combined to shove a southern feminist almost onto the floor.

Attention switched to the Tories, where John Patten, the education secretary, sprinted in, beautifully groomed, to hear a purple-clad Ann Taylor, his Labour shadow, denounce him — only to find no cabinet colleagues would shift for him. So he sat on tiny Gillian Shephard. "Pinch his bum, Gillian!" hissed a female Tory colleague to the crushed agriculture minister.

There was laughter as what looked like a pint of whisky in a carafe was borne in and placed, with a glass, before the Chancellor. He grinned, shoulders shaking. From the gallery above, the Moderator of the General Assembly — a weird Scottish cleric dressed in what appeared to be Janet Reger lingerie beneath a black tunic — peered down in horror at the wicked tincture. Next to Clarke, the PM settled back with an expression of happy anticipation.

Such was the atmosphere as the Chancellor rose. "I've decided to tackle the difficulties I face in a direct way," he began. "He's resigning!" shouted a Labour wag. It was not Clarke's way. Instead he raced headlong round a helter-skelter of threats, promises, prophecies and jokes. His Tory audience soon lost track, but Clarke never lost their affection, and respect grew as comprehension dwindled.

When he abolished the jobless, replacing them with "job-seekers", there was hardly a snigger. A job-seekers' budget? "Why," he cried (defending cuts in student grants), "should a bus driver or a pensioner pay higher tax to finance the living costs of tomorrow's lawyers?"

"They're financing *yesterday's* lawyers!" shouted a Labour voice, as at least five ex-lawyers, including the Chancellor, beamed from the government front bench. Clarke launched merrily into something about "surplus advance corporation tax".

Of this we knew nothing. But we had seen Clarke's bottom shoving Howard's bottom aside, and we understood that. As John Smith raged, as much in frustration as passion, we understood that this was no job seekers' Budget. It was a job seeker's Budget. It was a bottom-shover's budget.

'Exit tax' takes air firms by surprise

BY HARVEY ELLIOTT AND MARIANNE CURPHEY

AIR fares and package holiday prices will rise next year as a result of the Chancellor's surprise announcement of a new air passenger duty.

The "exit tax", on scheduled and charter airlines, stunned the industry, which had seen off the threat of VAT on air fares. The tax comes into force on October 1 and will push up fares on some routes within Britain by around 15 per cent. It is feared that it could lead to the closure of several small airlines.

Tour operators will not be able to pass on the additional cost to the 250,000 customers who have already booked holidays for next autumn and winter. Many millions more passengers will have to pay the charges of £5 within Britain and the EC and £10 elsewhere.

Sir Colin Marshall, chairman of British Airways, said that the tax penalised Britain's most successful transport sector. "Rail, coach and ferry companies have escaped it, as has the Channel tunnel, and it will mean higher fares for virtually everyone at a time when UK airlines have been trying hard to keep their prices down."

Brad Burgess, director of newly formed City Flyer Express, said: "Words almost desert me. This is going to cause us all grave difficulties. It almost seems as though the Chancellor is trying to destroy the airline industry to help British Rail. It is cynical and short-sighted."

Sir Michael Bishop, chairman of British Midland, said "We have been singled out for a levy while the railways and ferries with whom we are competing have not".

BAA, the British airports

Continued page 13, col 1

Unemployed and sick bear the brunt of welfare state reforms

BY JILL SHERMAN, POLITICAL CORRESPONDENT

THE first stages of the government's sweeping reform of the welfare state was heralded by the Chancellor as he restricted state payments by £2.5 billion and announced that women will have to work on to 65 before retirement.

Mr Clarke announced two new benefits for the jobless and those too sick to work, but both will produce big savings by tightening up on eligibility. He also announced new help for child care, but only for low income families.

While Mr Clarke denied that the government had any intention of dismantling the welfare state, he made it clear that the state can no longer afford to sustain its existing welfare commitments. The new measures are designed to target benefits more effectively to those on low incomes.

Unemployment benefit is to be replaced by a new job seeker's allowance, which will be confined to six months. It will build on measures set up by the employment department in the 1980s by linking the benefit with greater proof of active job hunting. The new move is to be implemented in 1996, and is expected to save over £100 million in the first year. It is likely to hit hardest at those with big redundancy pay-offs, who will not be able to claim the means-tested income support once the job seekers' allowance expires.

The Chancellor also confirmed that Peter Lilley, the social security secretary, intends to introduce sweeping changes to invalidity benefit, which goes to the long-term sick and jobless. The payments will be combined into a new incapacity benefit, which will taxed from April 1995.

Under a new bill, to be outlined by Mr Lilley today, the benefit will be linked to a much tighter medical assessment which will effect both potential and existing claimants.

Mr Clarke argued that the "astonishing growth in the numbers receiving the benefit in recent years indicates that it is now being claimed by many people who are not genuine invalids".

The new changes are expected to raise £550m in the first year and £1.45 billion in the year 1996/97.

Under a separate move, the Chancellor announced a £28-a-week child care allowance, to allow mothers to go back to work. He argued that many people were unable to work because of the prohibitive cost of child care.

The new payment, which will be available from next autumn, will go to low-income families already on family credit. However Mr Clarke made clear that the scheme was partly designed to move lone parents off benefit by encouraging them into work.

The Chancellor also confirmed that the government intends to raise the pension age for women by five years, in a phased scheme starting in 2010. The move, which will eventually save £5 billion a year, will not affect anyone over the age of 44. Mr Lilley is expected today to publish a white paper explaining the changes.

Mr Clarke attempted to dispel speculation that the state pension is to be privatised, by making clear that the pension would remain the cornerstone of the state's welfare policy. "The government is committed to it and to retaining its value," he said.

Bottomley gets more than expected for NHS while Rifkind expects forces will absorb reduction

War on waste and £263m increase to treat more patients

By Jeremy Laurance, Health Services Correspondent

MORE than 300,000 extra patients will be treated by the NHS next year, 4 per cent more than last year, Virginia Bottomley, the health secretary, said after she won a more generous settlement than expected from the Chancellor.

Health organisations welcomed the increase, which is £263 million more than forecast a year ago. But private health organisations reacted angrily to the 3 per cent surcharge on insurance premiums.

Spending on the NHS in England will rise to £30.7 billion in 1993-4, up 5 per cent in cash terms or 0.9 per cent after allowing for the Treasury's larger-than-expected inflation assumption of 4.1 per cent.

To secure the increase in the number of patients treated, Mrs Bottomley announced that pay rises for NHS staff would only be awarded in return for increased efficiency. Declaring a "war on waste," she said health authorities would be expected to deliver efficiency improvements worth at least a further 2¼ per cent, or £450 million.

The move was attacked by health organisations. The British Medical Association said the introduction of local pay bargaining would risk provoking "a series of damaging local disputes." The Royal College of Nursing said the idea that nurses' salaries should be dependent on slimming down an overweight NHS was "not founded in reality".

Mrs Bottomley said NHS hospitals were treating 116 patients for every 100 treated before the NHS reforms — and this should rise to 120 next year. Spending on the hospital service is to rise by 5.4 per cent in cash terms (1.4 per cent in real terms). However, spending on hospital building programmes is to be cut by 7.5 per cent in real terms, leaving hospitals to raise funds for new developments from the private sector.

The family doctor service will receive the largest increase, of 6.7 per cent (2.6 per cent in real terms). This will be worth an extra £416 million, and will pay for much-needed improvements to primary care in inner cities, especially London. The government pledged £130 million over three years to improve GP services in the capital in the wake of the Tomlinson report on the restructuring of health services in London. Labour claims the increase in NHS spending will be swallowed up by the costs of an ageing population and advances in medical science. David Blunkett, shadow health secretary, said: "Government claims of a boost for health are fraudulent."

Philip Hunt, director of the National Association of Health Authorities and Trusts, said the settlement was better than expected. "Things will still be tight, but it should allow for some growth in services," he said. "It will crucially depend on how pay is determined. One would have thought a figure of 4 per cent for inflation would allow some flexibility."

Mr Hunt welcomed the push to bring more private finance into the NHS as this offered the possibility of getting extra funds into the service.

In his speech, the Chancellor cited the construction of a privately-financed 100-bed "patient hotel" in Liverpool as an example of the opportunities for NHS improvements that could be provided by extra funds from the private sector.

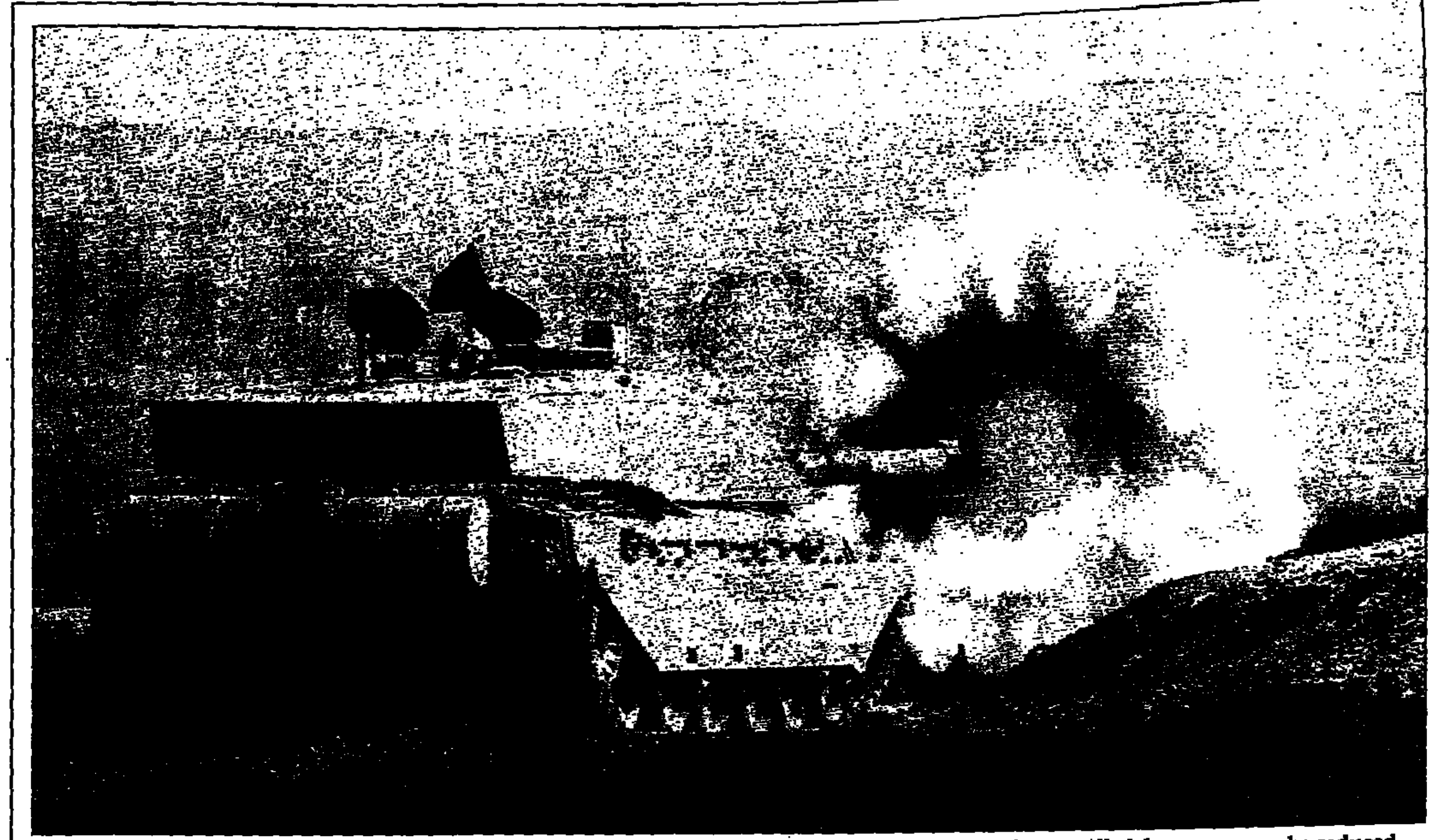
The health department announced last week that health authorities planning capital developments will in future have to show that they have sought finance from the private sector before they apply for a capital allocation from the NHS.

Mr Hunt said: "There is a real drive on to increase private investment in the NHS. Health authorities have been fairly slow to pick up on this."

The idea of opening patient hotels comes from the US. By separating the diagnostic and treatment centre for acutely ill patients from the patient hotel where they recuperate, hospitals can concentrate staff and resources where they are needed, boosting efficiency. The hotels are cheaper to run because they need fewer highly qualified staff.

The separation of the two functions also gives hospitals greater flexibility at a time when medical technology is advancing rapidly.

The Independent Healthcare Association, representing private hospitals, condemned the 3 per cent premium on private health insurance. The association said it threatened the government's own strategy of increasing private provision of health care.



More Challenger tanks are already on order. Contracts for new defence equipment are unlikely to be cancelled, but some may be reduced

Low inflation will cushion £780m cuts

By Michael Evans, Defence Correspondent

DEFENCE spending has been cut by £780 million over the next two years. The Budget cuts are imposing a reduction in real terms of 3.5 per cent next year and 6.8 per cent in 1995-6.

Although the Chancellor gave no figure for 1996-7, the effective cut will be another £400 million based on defence ministry spending assumptions for that year. This will add up to a three-year cutback of nearly £1.2 billion.

The most difficult year for Malcolm Rifkind, the defence secretary, will be 1995-6 when his budget is to be cut by £520 million. The 1994-5 cut is £260 million.

The impact of the three-year reduction in spending is not expected to be too severe because there is growing confidence that the inflation rate can been kept at a low level for a few years.

The defence ministry bases its spending estimates on inflation rate predictions. Inflation will be lower than the ministry had expected and this will wipe away part of the cutback for the next three years.

Officials have estimated that the real cut, after inflation has been taken into account, will be £120 million in 1994-5 and £330 million in 1995-6.

As part of the deal negotiated between Mr Rifkind and Mr Clarke, 70,000 service married quarters are to be handed over to a private housing trust. Married couples will be given 99-year leases and their houses will be maintained by the trust, which will also be responsible for selling them when they are no longer needed. The ministry hopes that this will raise several hundred million pounds within about two years.

The deal with the Treasury was described as "challenging" by senior ministry officials yesterday. However, the comparatively modest cuts will give Mr Rifkind breathing space to hold a comprehensive review of the support services which, it is hoped, will generate efficiency savings over the next few years.

The defence budget has been set at £23.49 billion for 1994-5, £22.7 billion for 1995-6 and £22.79 billion for 1996-7. With efficiency measures in place, the Treasury will clearly expect the defence ministry budget to continue spiralling downwards for the foreseeable future.

Mr Rifkind is not expected to announce cuts in equipment orders, although the size of contracts could be reduced. About a dozen procurement contracts are in the pipeline, including support helicopters for the RAF and more Challenger tanks.

The decision on support helicopters is between the Chinook and the EH101 helicopter developed by Westland in Somerset. Westland already has an order for the naval version of the EH101, called the Merlin. But the company is depending on a second order from the RAF.

Mr Rifkind is expected to make a number of procurement announcements in the next few months. He won his argument with the Treasury over the need to maintain the services' combat capability. His whole approach during public expenditure negotiations was to save the front line from cuts. All the emphasis on saving will now be focused on support services, some of which will be handed to the private sector.

Claimants face tighter restrictions

By Jill Sherman
Political Correspondent

THE social security secretary will today give further details of a package of measures designed to help the most needy. Peter Lilley has protected all present benefits by raising them in line with inflation from next April, boosting the social security budget to £83 billion in 1994-5.

Tens of thousands of people, however, will be removed from benefits for the jobless and the long-term sick.

Mr Lilley will also outline changes to housing benefit, aimed at saving £100 million a year, which will stop payments to households in which there is a dependant earning more than a certain income.

Significant changes were also announced to statutory sick pay in parallel with changes to national insurance contributions, designed to save £700 million a year.

At present all companies are entitled to an 80 per cent reimbursement for statutory sick pay. In future large companies will get no state reimbursement at all but exemptions will be extended to smaller companies.

At present those with national insurance bills of less than £16,000 a year are fully reimbursed after the first six weeks of each statutory sick pay claim. In future this will go up to £20,000, bringing more companies into the scheme, providing full reimbursement after only four weeks. The moves will be coupled with a cut in the main rate of employers' national insurance contributions by 0.2 per cent from April.

From April child benefit will be raised from £10 to £10.20 for the eldest child and from £8.10 to £8.25 for every subsequent child. The state retirement pension will rise from £56.10 to £57.60 for a single person and to £92.30 for a couple.

Unemployment benefit will go up from £44.65 to £45.45 a week and invalidity benefit by £1.50 to £57.60 a week.

Mr Clarke made clear that although £2.5 billion will be saved over the next three years, expenditure on social security will increase by £5 billion over the same period to honour statutory and manifesto commitments.

Church Action on Poverty described the Budget as harsh and said that the Mr Clarke's preference for spending cuts over tax increases would ultimately mean misery for everyone.

Clarke imposes balance sheets on Whitehall

By Michael Dynes, Whitehall Correspondent

ALL Whitehall departments will be required to publish detailed annual balance sheets similar to those provided by private-sector corporations, Kenneth Clarke announced.

New accounting procedures for public-sector expenditure — known as resource accounting — will be phased in during the next five years and will make departments responsible for drawing up lists of all government assets and liabilities, the Chancellor said.

Resource accounting will introduce important changes in the way government departments account for public money, provide new information on departmental cash flows and better measure the resources departments use, Mr Clarke said.

The techniques will be similar to those used in the private sector and parts of the public sector, including the National Health Service. They will provide details of the cost of resources consumed each year, including asset depreciation set against income.

Treasury officials will publish a paper early next year outlining how the government plans to introduce the new accruals-based resource accounting system. Mr Clarke said it would also spell out the implications for the way expenditure is planned and controlled and money sought from Parliament.

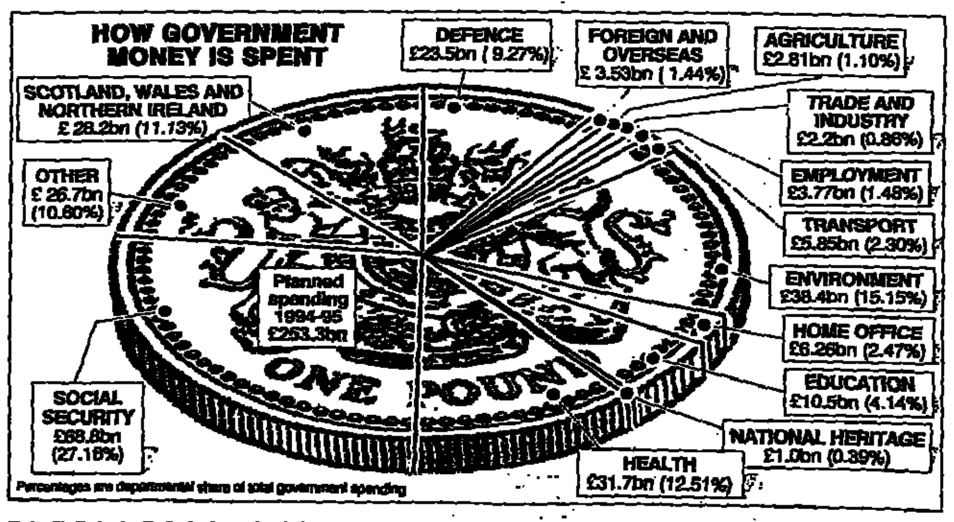
The reforms should make it easier to judge how efficiently resources are used for administration and in spending programmes. It might also pave the way for many surplus buildings and other assets to be sold.

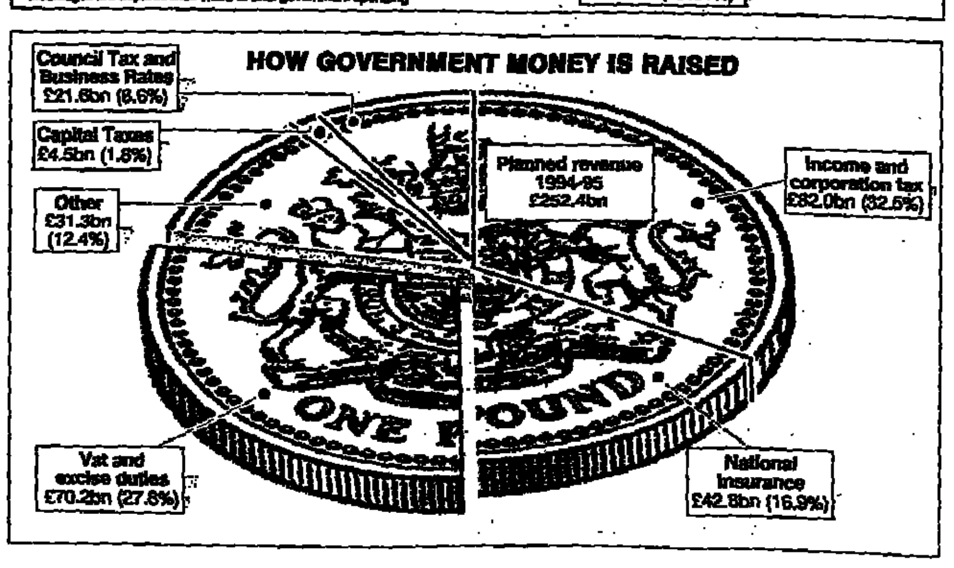
At the heart of the reforms is a technical accounting change. Instead of simply reporting cash receipts and payments, government departments will be expected to use the accruals method of accounting. It distinguishes between capital and current spending, and books income and spending when they are transacted rather than when cash is paid.

Converting government cash accounting will take up to five years. Mr Clarke said it was essential for the long-term success of the government's market testing programme in which the cost of civil service expenditure is tested against private sector competition. The reforms will introduce greater transparancy in government finances.

The move to resource accounting is part of the development of a more strategic relationship between the centre of government, its departments and agencies, first outlined in the government's 1982 financial management initiative.

Clive Purbrook, of that accountancy firm Ernst & Young, said that similar reforms introduced in Australia were changing the way government departments behaved. They would, for example, reduce the habit of saving cash and then spending it at the end of the financial year on anything from computers to painting offices. It will also enable capital spending to be voted on separately and not lumped in with current spending.





St Andrew's day message cheers whisky makers

By Gillian Bowditch, Scotland Correspondent

THE CHANCELLOR made several concessions that benefited the Scots in his St Andrew's day budget. Freezing the excise duty on the price of spirits he said would give Scots MPs something to celebrate.

The Scotch Whisky Association welcomed the news pointing out that the industry, one of Scotland's biggest, contributes £2 billion per annum in exports and employs 70,000.

But for many North of the Border, a greater cause for cheer was the package to help pensioners and low-income groups to combat the effect of VAT on fuel which will hit the Scots, with their harsher climate, harder than the people of England and Wales.

The November snow has already triggered cold weather payments in Scotland and the increase to £7 a week next winter and £7.50 in 1995 will be broadly welcomed.

However, Scots will be disproportionately disadvantaged by the 11p rise in the price of a packet of cigarettes and the 3p increase in a litre of petrol. Scots are among the heaviest smokers in Britain and those in rural areas, particularly in the north of Scotland and the Borders where public transport is sparse, are more dependent on cars.

The announcement of a new air traffic control centre for Scotland may help to create jobs but, according to the Department of Transport, the £200 million needed to fund it will have to come from the private sector. The government will also be looking to the private sector for its planned refurbishment of the West Coast rail line.

Scots living in the most remote parts of the country will be exempt from the new airport tax which will cost travellers within the UK and Europe £5 a head each time they leave from a UK airport. Scots flying to and from the islands, who already pay some of the higest airfares in Britain, will not have to pay the tax.

The total spending budget for Scotland next year is £14 billion, an increase of 3.7 per cent on the £13.5 billion awarded this year. Spending per head in Scotland is higher than that in England and Wales to take account of extra road costs and transport subsidies to the Highlands and Islands.

Financial support for local authorities in Scotland in 1994-95 will be £5.3 billion, an increase of 3.52 per cent or 2.25 per cent when the transfer of funds for Care in the Community is taken out. The transitional relief scheme for the phasing in of the council tax will be continued next year and will cost the government about £5 million in Scotland.

Scottish businesses will pay £10 million less in business rates next year as a result of the measures introduced in the Budget.

Budget Briefs

New units will hold tearaways

The government is to spend £100 million over three years on a network of five units to curb the criminal activities of 200 persistent young tearaways, the home secretary announced yesterday.

Michael Howard also demonstrated the government's drive to put victims at the heart of the system by giving the Victim Support charity an extra £1.7 million for help in setting up schemes in almost all the Crown Court centres in England and Wales.

The budget on law and order has been largely protected. Spending for 1994-5 will be £6.26 billion, an increase of just under 4 per cent in cash terms but a standstill when inflation and other factors are taken into account.

Legal scrutiny

The Chancellor announced a "fundamental review" of spending on legal services. One target will be to curb the rise in the costs of legal aid per case. The funding of the courts themselves will also come under scrutiny, including how much of the courts service can be privatised. The Lord Chancellor's department made clear that by 1996-7 the full costs of court services should in most cases be met by litigants through the court fees they have to pay in civil cases.

Pay freeze

Public-sector pay is to be frozen at current levels in an effort to contain the government's administrative costs, Mr Clarke said. Pay increases for civil servants will have to be financed by "greater efficiency or savings in the cost of running government".

Running out

The Sports Council budget was cut from £50.6 million in the current year to £49.8 million in 1994-5 and the government said that grants could be further reduced in future years. The grant will remain at £49.8 million for 1995-6 and drop to £48.9 million the following year.

Flow stemmed

The grant for the National Rivers Authority, the water pollution watchdog, is to be cut to £68 million in 1994-5 and to £60 million in 1995-6. A programme for improving low-flow rivers, waterways which due to drought or heavy demand are drying up, is expected to be worst hit.

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Government directs spending to sweeten unpalatable policies and bolster favoured strategies

Treasury axe wielded at defence and environment

By Nicholas Wood
Chief Political Correspondent

WINNERS AND LOSERS

JOHN Gummer and Malcolm Rifkind emerge as the main losers from the toughest spending round since the Tories came to power.

Mr Rifkind, the defence secretary, is no stranger to Treasury arm-twisting. Last year he became one casualty of the ending of the Cold War with a 10.5 per cent cut in his budget in real terms over three years. This year, his £23.5 billion empire saw its planned expenditure cut by £260 million next year and £520 million the year after.

Mr Gummer, the environment secretary, had in his past incarnation at agriculture been largely protected from the worst ravages of the annual spending round because that department's budgets are largely determined by the Common Agricultural Policy. This year, he could not turn to Brussels.

Total government support for local authority revenue spending in Britain is to be £960 million lower next year than planned. The following year, £1.720 billion will be cut from projected central support.

Overall, government support for councils will rise by only 1.7 percentage points next year — amounting to a cut in real terms if inflation picks up a little. Housing, another of Mr Gummer's responsibilities, has also taken a pounding with £250 million being sliced off next year's budget.

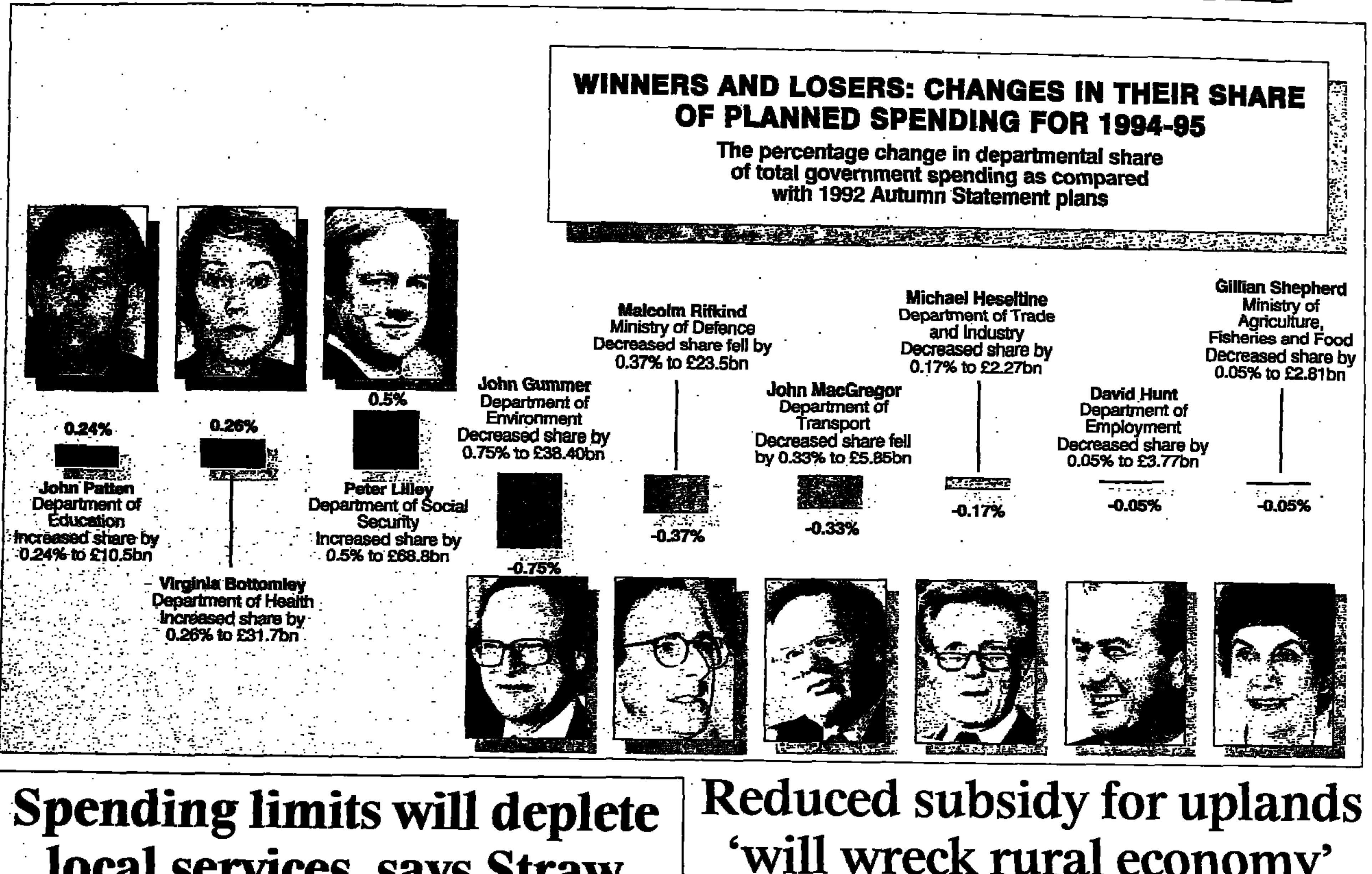
John MacGregor, the transport secretary, and Peter Lilley, the social security secretary, were also showing their battle scars yesterday. Mr MacGregor has largely hung on to his Exchequer subsidies for British Rail and London Transport, but his roads programme has been squeezed by £430 million over two years.

Mr Lilley stunned MPs with the size of his compensation package for the imposition of VAT on fuel, which will help every pensioner in the land. But he has offered up sacrifices — far from reluctantly given his zeal for welfare reform — over unemployment benefit, sick pay and invalidity benefit. Overall, however, his budget rises by £1.6 billion next year above the previous plan.

As ever, the winners were easier to identify. Virginia Bottomley, wrapped in a manifesto commitment to ever increasing health spending, waltzed away with a £1.6 billion increase, £390 million of which was in addition to the previous plan for 1994-5. John Patten at education and Michael Howard at the Home Office also managed to jump clear. Mr Patten secured an extra £390 million for next year, but he will take some flak over cuts in the student grant. With law and order the centrepiece of the government's legislative programme it was no surprise that the Home Office budget was left undisturbed.

In recent weeks, Westminster has been alive with rumours that Mr Gummer had come off badly in his scrap with Michael Portillo, the Treasury axeman. One Treasury gambit was to compare the introduction of the council tax this spring with the birth of poll tax. Because the council tax did not provoke riots in Trafalgar Square, there was less need to lavish large amounts of taxpayer's money on its first birthday.

Ministers also maintained that since most councils were now in Labour or Liberal Democrat hands, there was little point giving them more money. The clinching argument appeared to be that if the public was going to vote in opposition parties at local level, they could pay the price.



Spending limits will deplete local services, says Straw

By Nicholas Wood

COUNCIL FINANCE

LABOUR predicted drastic cuts in council services and job losses last night after the Chancellor outlined next year's town hall spending limits.

Jack Straw, the Opposition environment spokesman, said that expenditure in cash terms was being cut by 1.2 per cent when this year's actual spending was compared with that sanctioned by the government for next year.

John Gummer, the environment secretary, used a different set of figures to show that spending would rise by 2.3 per cent. The figures ignore what ministers regard as council overspending.

Total standard spending (TSS) — the amount the government believes councils in England should spend in 1994-5 — has been set at £42.2 billion, 2.3 per cent higher than this year's notional ceiling. Aggregate external finance (AEF) — central government grants to local authorities, will be £34.3 billion, up 1.7 per cent on this year. Councils have to make up the difference between the two figures through council tax receipts, and Tory MPs were worried last night that some big increases could be in the pipeline.

Much will depend on how much transitional relief Mr Gummer has secured to limit council-tax rises in April. The scope of his capping powers to deter councils from breaching Whitehall limits will also be important. Mr Gummer is due to make a Commons statement tomorrow on the details of the figures.

The Treasury said that if local authorities followed Whitehall's example and froze pay bills they would be able to maintain services and avoid job losses. Mr Gummer said: "It is essential that local and central government continue to play their part in restraining expenditure. Our over-riding priority is to reduce the public-sector deficit."

Mr Straw said: "This was a schizophrenic, not a unified Budget. Today, we have had the Chancellor boasting of cuts while the environment secretary boasts of rises. They cannot both be right. On this occasion, it is Mr Gummer who is wrong." The result of the cuts would be larger classes, fewer libraries, worse services and fewer people rehoused, he said.

Reduced subsidy for uplands 'will wreck rural economy'

By Michael Hornsby
Agriculture Correspondent

FARMING

HILL farmers bear the brunt of cuts in domestic agricultural spending. But total expenditure on farming will go up next year, even after allowing for inflation.

The special subsidies paid to some 67,000 sheep and cattle farmers in upland areas in Britain are to be cut by nearly 20 per cent, from £130 million in 1992-3 to £105 million in 1993-4. This comes on top of a £20 million cut last year.

David Naish, president of the National Farmers Union, said: "This is a body blow for farming in this extremely difficult sector. It will have a devastating impact not only on hill farms but on the appearance of the landscape and on the rural economy."

Paul Tyler, the Liberal Democrat rural affairs spokesman, accused Gillian Shephard, the agriculture minister, of a "cynical sell-out" to the Treasury. "The communities in the most remote and least favoured parts of Britain have been betrayed. Because she has so little room for manoeuvre over her budget, the minister has gone for the easy target."

Mrs Shephard said the cuts were justified because hill farmers had seen their income rise by £100 million in 1993-4, mainly as a result of the devaulatioan of the pound last year, which had boosted the sterling value of all EC farm subsidies by 16 per cent.

Total spending on agriculture, including EC spending, will rise from £3,630 million in 1993-4 to £3,720 million in 1994-5, an increase of 2.4 per cent, which is above the current inflation rate. In 1995-6 it will rise to £4,010 million, £150 million up on previous forecasts, and in 1996-7 to £4,040 million, £180 million more than planned.

The cuts in hill subsidies account for the bulk of the total saving in domestic agricultural spending of £40 million in 1994-5. Most of the rest comes from an £8 million cut in expenditure on research and development and a £12 million cut in grants to help farmers pay for improved waste disposal and the upkeep of hedges and traditional stone walls.

Mrs Shephard was able to protect expenditure on "environmentally sensitive areas", where farmers are paid to adopt methods that are less destructive of the countryside, by postponing the introduction of six new areas in England from next April until September.

University students facing a squeeze on grants and places

By John O'Leary, Education Editor

EDUCATION

STUDENTS were the main losers in a Budget settlement that gave the education department the biggest increase in Whitehall. Grants are to be cut by 10 per cent in each of the next three years and entry to university tightened for the next two years.

An extra £1 billion for education over the next two years reflects a big rise in student loans, continuing growth in opting out and additional costs of the new school inspection system. University budgets will rise to take account of record numbers on courses.

Most schools will have no indication of their prospects until tomorrow, when guidelines are set for local authority services. The school population is rising, and the Chancellor has imposed a ceiling of 2.3 per cent on next year's rise in council spending. John Patten, the education secretary, said grant-maintained schools would be protected and overall spending on schools would continue at the current level.

New measures will be taken to force universities to cut enrolments in line with a decline in the number of 18-year-olds. Following a cut in tuition fees this autumn, fees are to be cut by another 45 per cent, and universities will only be compensated fully if they reduce their intake by 3.5 per cent next year. Mr Patten said the result would be a "further small tightening in standards of entry to higher education".

Dr Kenneth Edwards, the university vice-chancellors' chairman, said: "Having stoked up the aspirations of young people and encouraged them into further education the government is now attempting to deny them the opportunity for which so many are now clamouring."

Universities and colleges will still have 90,000 more students over the next three years. To lessen the burden on the public purse, student grants will be cut by 10 per cent in each of the next three years. Student loans will rise by 44 per cent next year to ensure that the amounts available from the state outpace inflation. The maximum loan in London will be £1,375, compared with £940 now, increasing the monthly repayment for a three-year course from about £50 to £70.

Ron Harrison, the chief executive of the Student Loans Company, said the change would mean an increase in the sums available to the majority of students. But Lorna Fitzsimons, the president of the National Union of Students, said students could not afford to bear more debt and the only effect would be to increase hardship.

Ann Taylor, Labour's education spokeswoman, accused the government of reneging on previous assurances to students. "Not content to consign thousands of our best-qualified young people to the dole, they are forcing them into deeper poverty while they are students."

Don Foster, the Liberal Democrat education spokesman, said he welcomed any increase in education spending, though this was well short of the £1.6 billion proposed by his party. "But it would be a falsehood to claim that most children and students will benefit from the increase. The reality is that the extra money is merely to be used to further the government's divisive policies."

☐ The education department released news its £670 million increase four hours before the Chancellor gave his budget speech. Downing Street launched an enquiry.

£3.2m cuts could have been worse

ARTS

By Alison Roberts
Arts Reporter

ARTS funding was cut but not to the extent feared by the arts world.

The Arts Council of England will receive £186 million for 1994-5, down from this year's £189.2 million. Although the decrease will come as a blow, the grant provides £800,000 more than had been expected. The arts world had feared a cut to the English council of at least £4 million.

The projected grant for 1995-6 is £186.9 million with a freeze the following year. Lord Palumbo, chairman of the Arts Council of England, said: "It is a black day for the arts and a national disgrace."

Budgets for the new Arts Councils of Wales and Scotland will be announced in the next few days, but are also expected to be better than had been feared.

Peter Brooke, heritage secretary, will also make money available to restore the Albert Memorial in London, which has been covered in scaffolding for several years. Full restoration is expected to take at least five years and will cost £10 million to £11 million.

Chopped grant outrages students

By Ben Preston
Education Correspondent

UNIVERSITIES

SIXTH-FORMERS joined university students in a chorus of outrage at budget plans to cut grants by 10 per cent for the next three years and put a squeeze on entry to higher education.

Amanda Dwyer, 18, of Swaffham, Norfolk, was bitter at government incompetence after falling victim of policy changes for the second time in four months. In the summer, Amanda gained two grade As and a D at A level. But she forfeited a place to read English and American Literature at Warwick University because of a previous government attempt to rein back higher education expansion by cutting tuition fees. The university lost all flexibility over entry requirements and Amanda had to defer because she missed her target grades by a whisker.

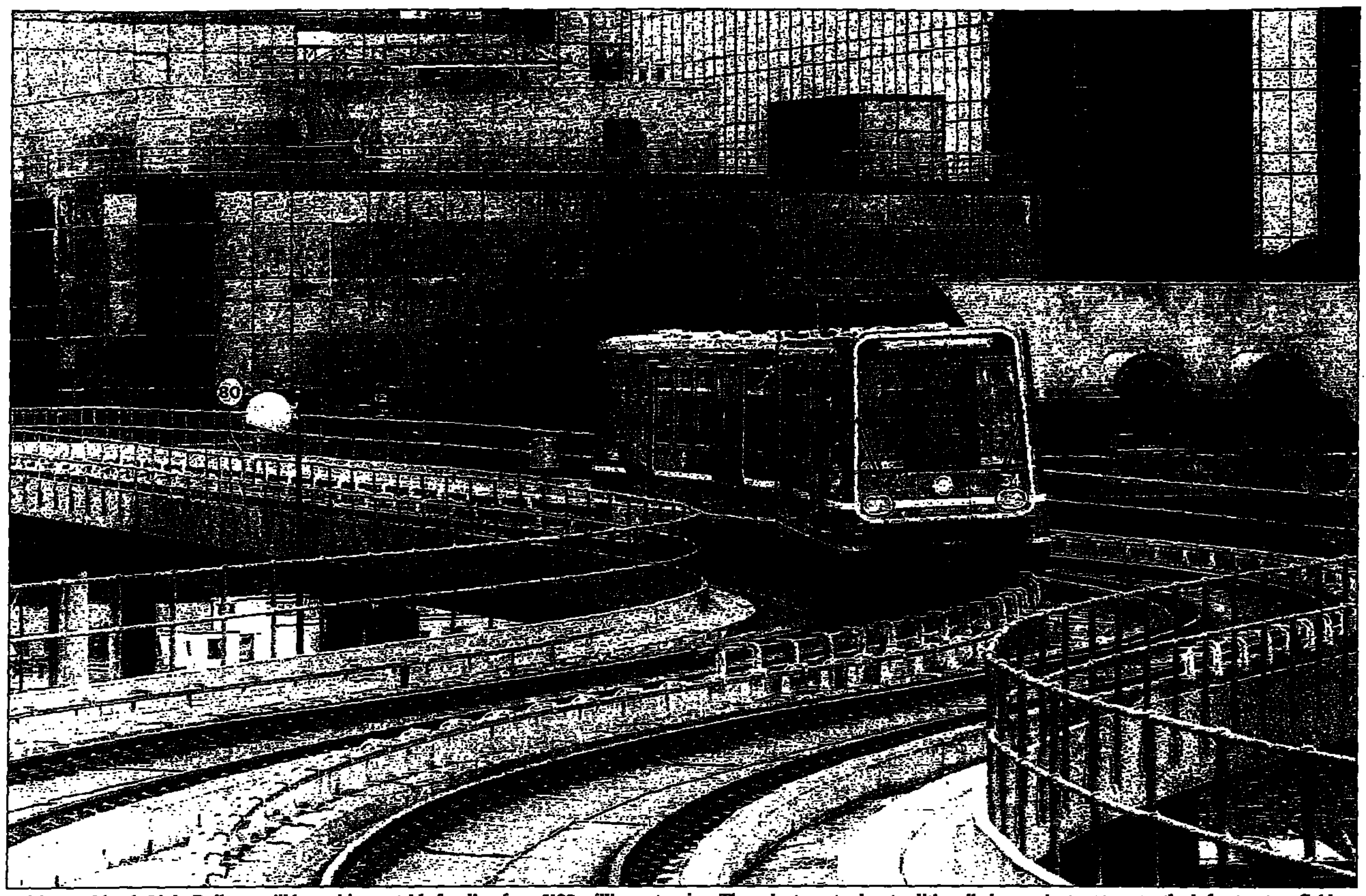
Amanda said: "This is a second kick in the teeth. It is going to cost me more than £200 next year. I just don't understand the argument that graduates can afford to borrow more when there are not enough jobs for them when they get their qualification."

Amanda said some of her friends would now face a severe dilemma when they finished school. "More people were going into higher education because there was no alternative. Now some still won't be able to get a job but will be either be unable to get a university place or to afford to take up a place."

Tara Barker, a mature student reading politics at Bristol University, said her grant cut amounted to £4 a week, or the equivalent of her seven-year-old son's school meals. She said: "This is appalling for those already living on the bread line. I find the prospect of taking on further loans frightening, given the scale of graduate unemployment."

Dan Neidle, the union welfare officer at Bristol, said the cuts would plunge students £700 further into debt over three years, with the grant not even covering a year's rent in the city. "Future graduates are going to find themselves crippled by loan repayments and many sixth-formers are just not going to be able to afford to come to Bristol," he said.

Lorna Fitzsimons, president of the National Union of Students, said students would be devastated. "Students are already massively in debt with the Student Loans Company, with banks and with their parents."



The Docklands Light Railway will be seeking outside funding for a £100 million extension. The private sector has traditionally been reluctant to enter the infrastructure field

Public projects, private funding

By Ross Tieman, Industrial Correspondent

THE government is pinning its hopes of restoring Britain's crumbling infrastructure on attracting private sector finance, the Chancellor made plain yesterday.

He said the government was giving the go-ahead to three projects: modernisation of British Rail's west coast main line from London to Glasgow, a £200 million air-traffic control centre for Scotland, and a £100 million extension of the Docklands Light Railway into Lewisham, southeast London.

But Mr Clarke made it clear that funding for the projects must come from the private sector without confirming that the cash was available.

In the past, private sector companies have often proved reluctant to invest in infrastructure projects because the returns were too low.

However, Mr Clarke will have increased private groups' prospects of winning returns from new road and rail links by announcing that electronic charging is to be introduced on existing motorways. There had been fears that travellers would spurn new toll roads or railways for free motorways.

If they materialise, the projects will bring some relief to Britain's work-starved construction sector. The industry had lobbied hard for the government to act to protect the housing and road programmes which form the core of its workload.

With total activity some 15 per cent below the peak of 1989 and construction jobs cut by 500,000 to 1.3 million since then, contractors are desperate for stability. About 10,000 building and construction companies are reckoned to have failed in the past four years.

Earlier this month, Mr Clarke emphasised the importance of the strategy by appointing Sir Alastair Morton, co-chairman of Eurotunnel and arch-critic of the government's roads and rail programme, to head the Private Finance Working Group.

The group, which includes Howard Davies, director-general of the Confederation of British Industry, and other senior figures from the private sector, has been asked by the Chancellor to resolve problems over government efforts to shift responsibility for developing transport links and capital projects into the private sector.

One construction sector not applauding the Chancellor will be the house builders, who have been pressing hard for measures to stimulate the market. Eroding the value of mortgage tax relief will not go down well.

Private investors may be cool to BES successor

By Robert Miller

NEW ENTREPRENEURS

IN SPITE of the initially warm welcome given by City professionals to the new Enterprise Investment Scheme, private investors may not be quite so enthusiastic about this successor to the Business Expansion Schemes, which finish on December 31.

From April the new schemes will give up-front tax relief at 20 per cent on investments in shares of unquoted trading companies, and income or capital gains tax relief on losses. Capital gains will be tax-free, and investors may invest up to £100,000 a year from 1994-95. Companies will be able to raise up to £1 million a year under the scheme.

Nick Percival, a BES investment specialist, said: "The new Enterprise Investment Scheme is very much going back to the basics of the original BES of high-risk enterprise ventures. The real problem is the size of the private investor market for risk capital. History shows it is very difficult to raise significant sums for high-risk unquoted start-up companies.

"Private investors are unwilling to put their capital at significant risk — and that is the nub of the problem. Eevn with the tax concessions, a loss is a loss."

But Geoff Bailey, investment director of Lloyds Private Banking, said: "Record investment in BES proved there was a demand for a tax-efficient investment of this kind. EIS will also channel cash straight into small firms at a time when they need capital if they are to take full adavantage of the recovery.

"Investing in small companies is risky. This flexible approach will dramatically reduce the risks for many investors, encouraging them to become business angels."

Revenue statistics show that between their introduction in 1983 and the end of 1992 7,316 BES schemes were launched, raising £2.1 billion. The cost to the Treasury in tax relief has been around £1.5 billion, and this does not take account of the £700 million raised by BES schemes this year.

But there are very few survivors from the early BES days. The vast majority went bust early on, taking with them any hope that investors might have had of making money. They did, of course, have the tax relief.

Many early schemes invested in a wide range of businesses, including Angora goats, restaurants and wine merchants. More often than not, these represented the interests and hobbies of the individuals concerned rather than any sound investment proposition.

The original, aim of BES schemes was, as the Government put it, "to provide income tax relief for genuinely additional outside equity investment by individuals in certain types of unquoted UK trading companies." Then, in 1988, the emphasis was changed to give the private rented housing sector a boost through investment in companies providing private residential accomodation on assured tenancies.

Since then the amount of BES finance that may be raised by any individual company in any one year has been restricted. The limit for both private rented companies and shipping is £5 million. The limit for other types of company was set at £500,000, though this was raised to £750,000 in May 1990.

The maximum investment by an individual that can qualify for BES relief in a tax year is £40,000. To qualify for relief, the investment must be held for five years.

But it was the linking of assured tenancy BES schemes to "arranged" or "contracted" exit prices which really sparked interest in BES schemes from private investors. Generally speaking these offer an exit price of between 117p and 130p for every 100p invested after five years. Not unnaturally, the most popular schemes were those where the "exit" price was underwritten by a major bank or financial institution.

More recently, some of the major fund management groups such as Save & Prosper and Allied Dunbar have entered the arena.

Investment plan greeted eagerly by entrepreneurs

By Derek Harris

SMALL BUSINESS

A GOOD Budget for the entrepreneur was the overwhelming response from small businesses and their lobby groups to a series of measures that notably are expected to bring a wave of new investment and to reduce regulatory burdens.

One welcome measure was the raising of the threshold at which firms must register for VAT — up from £37,600 to £45,000 from today. It will mean that another 75,000 traders can opt out of the VAT net. Limited real increases in the uniform business rate were also welcomed.

But simpler audit requirements to ease the regulatory burdens on small businesses were criticised by some accountants. Companies with a turnover of between £90,000 and £350,000 a year will need only an independent accountant's report on the validity of their records. For the 40 per cent of companies with turnovers of less than £90,000, the audit requirement will be scrapped.

The Chartered Association of Certified Accountants said: "We are concerned that removal of the audit requirement will also remove accountability for some organisations that are not of inconsiderable size. We believe this may give rise to concerns over the public interest."

Richard Brucciano, chairman of the Confederation of British Industry's small firms council, said: "This is a positive Budget for small business. Rollover of capital gains tax could release more of the enormous amount of capital in private hands for investment in smaller companies. It will encourage more risk taking." He also described as helpful the proposed simplification of PAYE and national insurance returns.

There was praise for the Enterprise Investment Scheme that is to supersede the Business Expansion Scheme, which has been discredited because latterly it has attracted so much capital to low-risk property deals involving assured tenancy schemes. The new scheme will exclude the property element and apply to trading companies. This scheme, and the audit changes, were the most positive moves, said Sir Michael Grylls, chairman of the Small Business Bureau. "For the small business sector there is a lot of good, positive thinking.

The idea of venture capital trusts to increase funding will be explored in a consultation paper. These are expected to operate on the lines of investment trusts, channelling savings into unquoted companies. This would be good for the venture capital sector according to Michael Walton, chairman of the venture capital division of Gartmore, the investment and financial services company.

Late payments, blamed by many small businesses for cash-flow problems, were another target for action by the Chancellor. Michael Heseltine, President of the Board of Trade, is looking at a new standard that could be laid down nationally to buttress the code of conduct launched by the CBI, which already has more than 500 companies backing it.

Enforced payment of interest on late settlement of debts is also to be considered.

Investors get tax boost

By Patricia Tehan

PRIVATE investors are being encouraged to put their money into unquoted small firms and entrepreneurs are to be rewarded through relief from capital gains tax (CGT).

The most significant of the CGT changes announced by the Chancellor is that individuals facing capital gains charges will be able to defer them indefinitely if they reinvest their gains in an unquoted trading company.

Kenneth Clarke also announced the creation of a new type of investment, a venture capital trust, to "channel savings specifically into unquoted trading companies". Investors will receive dividends and capital gains free of tax and, by investing through a trust, will be able to spread their risk across a number of different companies. The government will flesh out the details in a consultation paper soon.

Relief on CGT for business people selling up on retirement has been increased. At present there is a complete exemption on the first £150,000 of capital gains and a half exemption on the next £450,000. These limits are being increased to £250,000 and £750,000.

Chris Attwood, a partner with Ernst & Young, the accountants, said the new measures "are designed to take the place of venture capitalists where the business is too small and they are not interested, or it is marginal and the rates venture capitalists want to charge make it totally impractical".

The CGT limit, currently £5,800, was not increased in line with inflation.

Big firms face bill for sick-pay scheme

By Our Industrial Correspondent

A £830 million cut in National Insurance contributions paid by companies to encourage them to recruit more staff was balanced by passing on to firms the cost of paying sick workers.

From April, each of the lower rates of National Insurance contributions paid by firms will fall 1 per cent. The government will also stop reimbursing larger companies for the money they pay sick employees, saving taxpayers £700 million a year.

Firms with National Insurance bills under £20,000 a year will continue to be reimbursed fully from the fourth week of sickness rather than the six weeks it now takes.

The Chancellor said the changes would maintain sick pay assistance to two-thirds of firms, but "other companies will have a much sharper incentive to improve their management of sick leave".

The scale of the saving, however, suggests the amount of ongoing support available to firms to pay sick employees will be slight. In the current year, total payments were expected to be just £713 million, only a whisker more than the saving sought.

The present sick-pay scheme was introduced in 1983. It provides for up to 28 weeks of sick pay, after which an employee unable to return to work can seek invalidity benefit. It originally entitled the employer to reclaim all payments plus a 7½ per cent administration fee. However, since April 1991 employers have had to contribute.

Michael Heseltine: looking at new standard to protect firms against late payers

50p stamp duty ploy to end

By Jon Ashworth

COMPANIES and wealthy home-owners will be hit hardest by proposals to close a loophole on stamp duty. By categorising a sale as an "exchange", a company transferring a building worth £5 million, for example, has been able to get away with paying stamp duty of just 50p instead of £50,000. Under the new rules, the 0.5 per cent duty will be charged at the full market value of the property concerned.

The changes will take effect from December 8, yielding about £60 million for the exchequer in 1994-95, £70 million in 1995-96 and £80 million in 1996-97. Companies or wealthy individuals have been able to reduce stamp duty to a nominal sum by "exchanging" a small leasehold interest, together with a substantial amount of money, for a valuable freehold property.

In future, exchanges of land or buildings will be treated as transfers for chargeable consideration, with duty payable on both transfers based on the open market values.

Small firms celebrate £50bn boost

By Ross Tieman
Industrial Correspondent

LATE PAYMENT

KENNETH Clarke yesterday set the government on course to introduce a statutory right to interest for late payment of business debts, provoking an ecstatic reaction from small firms' lobby groups.

"This is a £50 billion boost to small business," said Nick Goulding of the Forum for Private Business. "That is how much is outstanding in overdue debts at any time."

Although Mr Clarke suggested that ministers had yet to choose to introduce statutory measures rather than a British standard to control late payments, business organisations were in no doubt that legislation would be forthcoming. Mr Goulding said that although a law might take up to 18 months to reach the statute book, he was confident that firms would start to modify their behaviour ahead of legislation.

"It was fairly explicit that they are going to do it," he said.

Mr Clarke said the problem of late payment had become so severe that it was "corroding our business culture". According to the forum, about half of the bills issued by British companies are overdue at any time.

The forum has been campaigning for five years for a statutory right for companies to levy interest on overdue bills, believing this to be the only way to prevent small companies from exploitation by their larger customers. The forum's campaign has developed a widening circle of support as it became clear that companies were seeking to protect themselves during the recession by delaying payment of bills from small suppliers.

By offloading their financing problems in this way, they have put the survival of many smaller firms at risk, while owner-managers have had little redress. As business emerges from recession, the cash-flow problem has become even more acute for many firms, because they lack the funds to buy materials to fill rising order books. Both Mr Clarke and Mr Goulding believe the effect has become insidious. "This has been undermining our business culture," Mr Goulding said. "It has been damaging the culture of business and morals in general. We are over the moon that something is going to be done about it."

The measures were also welcomed by the Confederation of British Industry and the Institute of Directors. The Federation of Small Businesses said it had expected little more than the measures announced. Ian Handford said the abolition of a statutory audit for the smallest firms would be a relief.

The Chancellor also amended rules to make it easier for trade creditors of insolvent companies to obtain tax relief on debts which they are unable to recover.

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Transport system will be powered by private funds

By Tim Jones
Transport Correspondent

INFRASTRUCTURE

THE government will be relying on huge injections of cash from the private sector to run and maintain its transport strategy into the next century. John MacGregor, the transport secretary, made this clear yesterday when he announced that his department's expenditure, which has been running at record levels, is to be cut by £1 billion over the next three years.

Central to his plans will be the decision to involve major companies in planning, designing and running the motorway network in exchange for charging motorists to use the routes.

He admitted that because of the funding cuts, which will involve a reduction of £50 million next year in the roads programme, many schemes will be delayed.

But Mr MacGregor said his new £17 billion expenditure plan would help to fund a £15.5 billion investment programme that would include some prestige projects, such as a £600 million modernisation of the west coast main railway line from London to Edinburgh and development of a £200 million air traffic control centre for Scotland. Both of these will be financed by private money.

Mr McGregor took pains to explain that he was tilting the balance of expenditure away from roads to public transport. "Next year about 40 per cent of the government's total transport expenditure will be used to improve public transport still further, although only 14 per cent of journeys are made by bus, rail and tube," he said.

Investment in the railways during the next three years is planned to be £3 billion, of which £2.7 billion will be invested by the public sector. Total railway investment remained high, he claimed, given that the period of peak investment for services through the Channel tunnel had passed so that a greater proportion would be devoted to the rest of the railways.

Private-sector investment in the Heathrow Express will be nearly £250 million and Mr MacGregor will be seeking a further £800 million on other privately funded projects during the next few years.

He said: "Today's new projects demonstrate the accelerating pace of private-sector involvement and complement the enormous financial commitment to transport infrastructure at a time of great public expenditure pressure."

Aware of the controversy surrounding his rail privatisation proposals, Mr MacGregor said the external borrowing limit for the industry would increase from £1.08 billion to £1.262 billion next year. The figure for 1995-6 will be increased by £15 million to £975 million.

But London Transport's external finance limit will be reduced £64 million to £900 million next year and from £947 million to £930 million in 1995-6. However, London Transport will be able to retain the proceeds from the sale of bus companies.

The Civil Aviation Authority's external finance limit drops from £82 million to £52 million in 1994-5 and from £83 million to £33 million in 1995-96. The transport department will be examining the scope for further private financing in the CAA's investment programme, including the possibility of transferring National Air Traffic Service operations to the private sector.

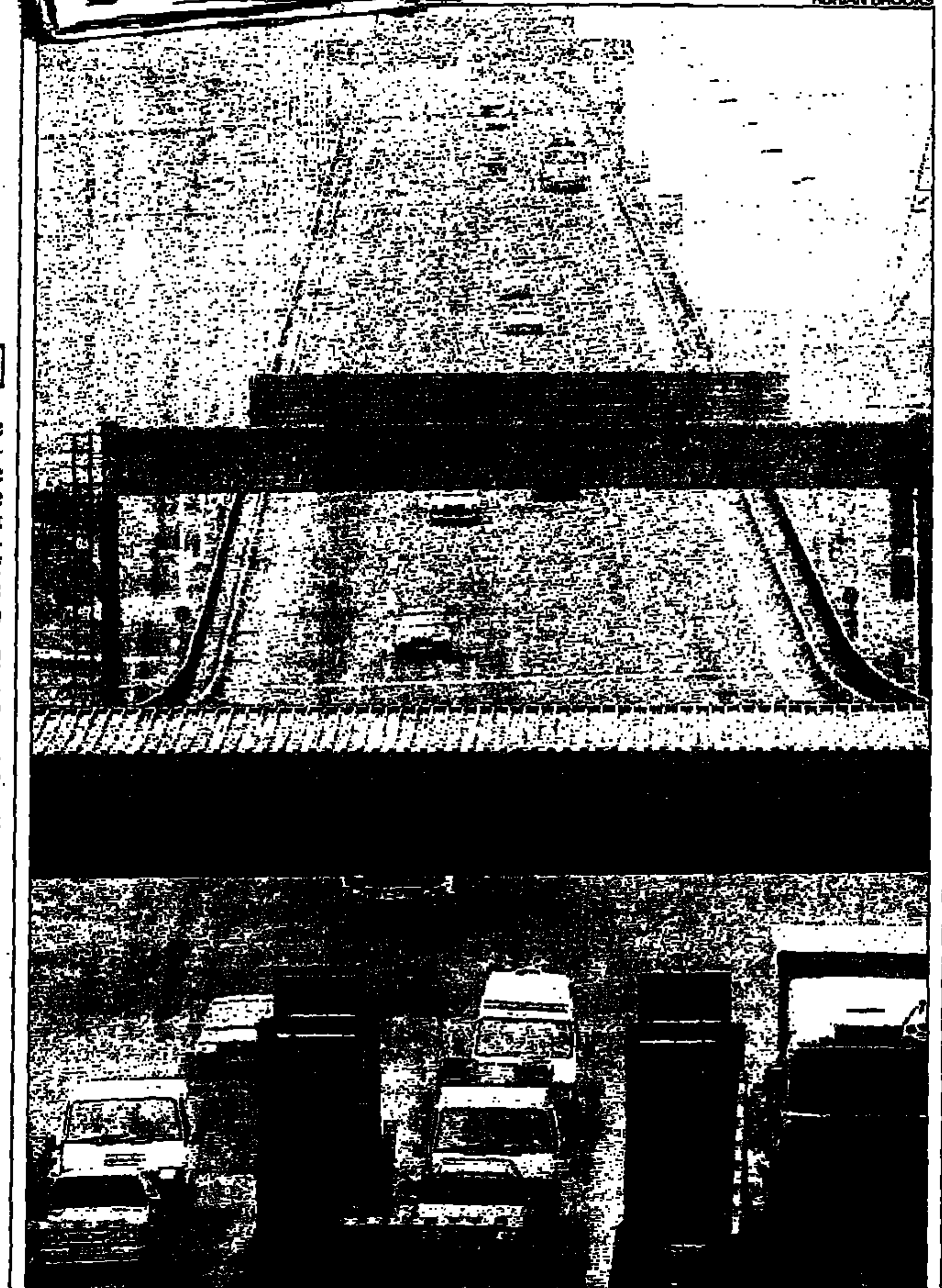
Mr MacGregor said that British Rail and Railtrack, the company that will be responsible for the infrastructure of the privatised rail system, will be allowed to retain and invest half of any privatisation proceeds up to a maximum of £200 million combined. This was potentially worth up to £100 million to them, he said.

Expenditure on the national roads programme will fall from £2.151 billion to £2.006 billion next year and from £2.059 billion to £1.956 billion in 1995-6. Total support to local authorities will fall from £1.1 billion to £978 million next year and from £1.112 billion to £1.043 billion the following year. "Spending has had to be reduced below the record level on provision made for the current financial year and this will inevitably mean some future road schemes will have to start construction later than originally planned," Mr MacGregor said.

But he emphasised that the government remained committed to delivering increased motorway and trunk road capacity, which was vital to British industry, and to providing bypasses. Over three years the government would be spending £2.7 billion on local roads and public transport.

Frank Dobson, the shadow transport secretary, heavily criticised the Chancellor's statement on transport. He said the entire reduction in transport spending meant "cuts in standards and reliability, cuts in transport safety and conditions and cuts in infrastructure investment".

Mr Dobson added: "This Budget spells misery for car users on congested roads, misery for commuters on delapidated trains and misery for the people who work in the British transport industry."


ADRIAN BROOKS

Toll booths at Dartford Bridge. There will be electronic road-charging on all motorways

MacGregor gets charges to combat road congestion

By Tim Jones
Transport Correspondent

MOTORWAYS

MOTORISTS could learn this week how much they will have to pay to travel on Britain's 1,400 mile motorway network. The Chancellor said yesterday that electronic road-charging would be introduced as soon as the technology was right.

Money raised from motorists will help make up the £248 million shortfall which the transport department will suffer in its roads programme over the next two years.

Originally it had been thought the department could introduce as a stop-gap measure a simple windscreen display sticker for which every motorist would be charged.

But it is now clear that sophisticated "smart card" charging systems will be introduced so that only motorway users will pay.

John MacGregor, the transport secretary, is hoping to involve the private sector in his plans to introduce the charging regime as quickly as possible. According to some estimates, motorway-charging could raise as much as £750 million a year.

Increasingly, the tolling systems could be run, installed and operated by private sector contractors who would also build and design new roads.

Mr MacGregor has said that unless motorists are prepared to pay for improved roads, Britain's motorway network could become so congested that it resembles the M25 on a busy Friday night.

According to some sources, motorists could expect to pay up to 1.5p a mile for the privilege of travelling between big towns and cities. Critics of the scheme claim that unless the pricing is highly sensitive, motorists will opt to use lesser roads unless there are genuine improvements in the motorway network.

Mr MacGregor has visited the United States and Scandinavia to assess which scheme will best suit Britain. Even before yesterday's announcement, he had ruled out toll booths because they would have caused intolerable delays and taken up too much land.

Rise in wine duty 'encourages booze cruises'

By Robin Young

EXCISE

THE Wine and Spirit Association said that it was "unbelievably irresponsible" for the Chancellor to impose an increase in excise duty that will add 2p to the price of a bottle of wine from January 1.

Bernard Windsor, chairman of the WSA, said: "That increase alone is equivalent to the total amount of tax that they have to pay on a bottle of wine in France. We were looking forward towards harmonisation. Instead, the Chancellor is giving active encouragement to cross-border shopping which already has our members screaming."

The association had claimed that cross-border shopping was costing UK revenues more than £280 million a year in excise, VAT and corporation tax lost through purchases of wines and spirits outside the UK.

The Brewers' Society welcomed the fact that for the first time in five Budgets the excise duty on beer had not been raised, but emphasised this was not enough in view of the increasing amount of cross-border beer imports. The society added: "In the long term, we want him to start reducing the duty on beer. Currently beer production is down 3 per cent this year, having fallen 5 per cent last [year]."

The beer drinkers' consumer organisation, the Campaign for Real Ale (Camra), agreed. Stephen Cox, Camra's campaigns manager, said: "The increase in cross-border shopping for beer last year alone was equivalent to the entire production of a regional brewery. The Chancellor has got to set about cutting the duty soon."

Bill Bewsher, director-general of The Scotch Whisky Association, welcomed his industry's second reprieve from excise duty increases, but added: "There is still a long way to go." He pointed out that the tax on a glass of whisky would still be almost twice as much as the tax on the same amount of alcohol in a glass of wine.

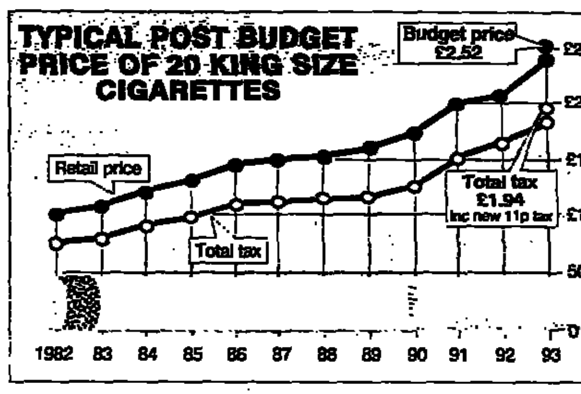
Cider manufacturers were disappointed to share in the increase in excise duty imposed on wine from January 1, but cider remains the most lightly taxed alcoholic drink in the United Kingdom. As cider does not pay progressive duty according to its alcoholic strength, the tax on a cider with 8 per cent alcohol by volume has been only one quarter of that charged on a beer of equivalent strength.

The Tobacco Advisory Council, the trade body of the manufacturers, had been braced for a hard Budget. They denounced the decision to increase duty on tobacco by more than four times the rate of inflation as "outrageous and discriminatory".

The council said that the increase, which puts 11p on a packet of 20 king-size cigarettes, came on top of an increase two and a half times the rise in the inflation rate in March. That had added 10p to the price of a packet.

The council also glumly noted the Chancellor's long-term objective of adding 3 per cent in real terms to the tax on cigarettes and tobacco every year from now on.

It was not lost upon the council that Mr Clarke had at the same time revised a similar long-term objective with regard to road fuel tax upwards — lifting the 3 per cent target already stated to an even more punitive 5 per cent.



'Exit tax' shocks airlines

Continued from page 9

operator, said that the charges were introduced "without consultation with the airlines or anyone in the industry".

Richard Branson, chairman of Virgin, said: "Any future Chancellor could squeeze the travelling public even further by using this tax."

John Parr, director of the Air Transport Users Council, said that it would particularly affect leisure travellers on small airlines flying on domestic services where the percentage increase would be higher than on long haul routes. "Many of the domestic routes are heavily dependent on leisure travellers. Local economies and businesses could suffer if passenger numbers drop off on these routes."

Martin Brackenbury, of the Tour Operators Study Group, which represents 80 per cent of holiday companies, said that the group would be seeking an urgent meeting with Mr Clarke to argue for a reversal of the policy, which could be a barrier to free movement within the EC. Graham Lancaster, another spokesman for the group, said: "The tax will damage the tourism industry, one of the UK's most successful sectors, and invites retaliation from other countries around the world."

Keith Betton, of the Association of British Travel Agents, said that the tax would mean higher air fares, lower passenger volumes and a reduction in air services, "none of which will be to the consumer's advantage". Wesley Pentland, president of the association, said: "The demand for package holidays is very elastic and experience has shown that a small increase in price can cause a fall in demand three times larger."

Geoffrey Lipman, president of the World Travel and Tourism Council, said that the Chancellor's move was short-sighted and simplistic.

A spokesman for Thomas Cook said: "This is not good news. It is too early to say how it will affect the market, but the announcement did surprise us after so much had been discussed over imposing VAT on package holidays.

"In summer 1994, holidays will not be affected by these changes and some tour operators could decide to absorb the extra costs if the market remains extremely competitive next year."

However, Charles Newbold, managing director of Thomson, was optimistic about the immediate future. "For the next 12 months sales should boom as people try to get in before the prices go up," he said.

Petrol levy signals £3 gallon

By Kevin Eason
Motoring Correspondent

PETROL prices were pushed to record levels last night with the Chancellor telling motorists that there was worse to come as the government sought to curb pollution and raise an extra £750 million next year.

Kenneth Clarke added 3p a litre in duty to petrol and diesel, equivalent to 13.6p a gallon, and coupled the increases with a £5 rise in vehicle excise duty on cars. The fuel tax increases, from 6pm last night, were the second this year, after a 10 per cent rise in March.

Industry estimated that the new rise would cost companies an extra £300 million a year while the AA said that the average private motorist would have to pay an extra £44 a year, on top of the March increases. Motoring organisations said that the poor and people in rural communities would be hit hardest.

The Chancellor's announcement pushed average pump prices for four-star to 56.9p a litre or 258.7p a gallon, which overtakes the previous record set during the Gulf war. Unleaded rises to 51.9p a litre (235.9p) and diesel to 52.9p (240.5p). Vehicle excise duty for cars is up to £130. There is no increase on lorries.

Mr Clarke said that he was not finished with motorists and would be imposing above-inflation increases on petrol next year. Norman Lamont said in the March Budget that he intended to increase petrol and diesel costs at 3 per cent in real terms to limit emissions of carbon dioxide. Mr Clarke pushed the price target to 5 per cent in real terms, which signals the imminent arrival of the £3 gallon.

Neil Marshall, chief economist at the Retail Motor Industry Federation, which represents 12,000 garages, said: "Over the next eight years, that means petrol prices will go up by another 50 per cent at least, whatever other decisions are made. That is going to have a big affect on motorists although it is a move towards taxing consumption which will not do anything to hurt the recovering markets."

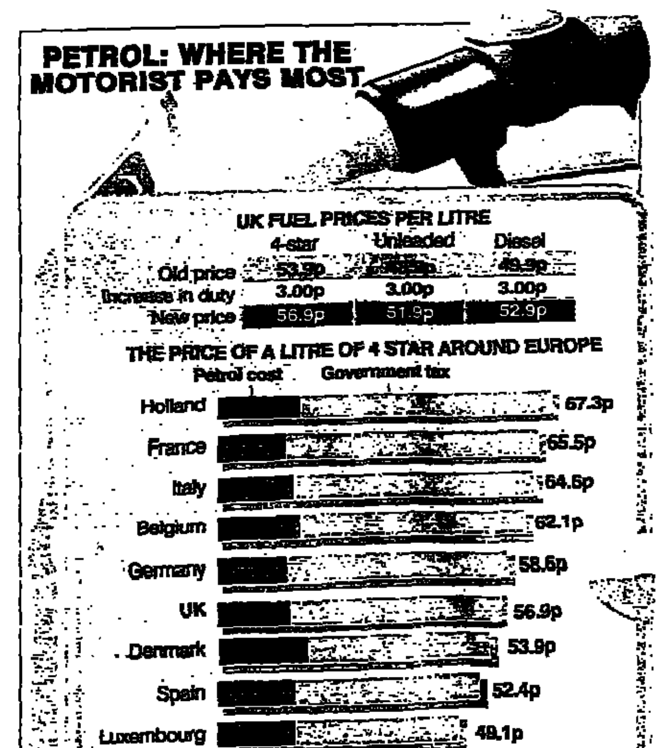
Motoring organisations were less understanding. Simon Jones, of the AA, said: "If the Chancellor was supposed to be helping the environment then something has gone wrong. Unleaded petrol and diesel have gone up in percentage terms more than four-star, when the differential should have been increased. The story is always the same, with the motorist carrying a big burden of taxation. These petrol price increases come so soon after the last round of duty increases."

Edmund King, the RAC's campaigns manager, said: "We are talking here about a £3 gallon of petrol sooner rather than later. That will hurt most those people in rural communities who need a car. It may be dressed up as a green tax but raising fuel duties will do nothing to curb use, just make it more expensive for thousands of motorists and their families."

One effect of the increase in fuel prices may be a big change in the way companies buy new cars. Fleet managers said last night that hundreds of companies would be examining the fuel economy of their vehicles.

Colin McLean, managing director of Highway Vehicle Leasing, which runs 20,000 cars, said: "We are already seeing a surge of interest in diesel cars, which are more economical, and that is bound to go further now."

The good news for the motor industry was that there were no new taxes or changes to benefit-in-kind taxation on company cars. There was a bonus for leasing companies, which can now reclaim VAT on cars leased to rental companies, taxi drivers and driving schools.



Cut in relief marks first steps to 20% basic rate

By Sara McConnell
Personal Finance Correspondent

ALLOWANCES

PERSONAL allowances were frozen for the second year running yesterday. The only exception was the blind person's allowance, which will rise in April from £1,080 to £1,200.

The Chancellor again reduced the value of the married couple's allowance, which he described as "a bit of an anomaly", restricting it to 15 per cent from April 1995. The principle of restricting allowances and reliefs was established by Norman Lamont in March, when he announced that the married couple's allowance and linked allowances would be restricted to 20 per cent from April 1994.

Yesterday's restriction will cut the value of the £1,720 allowance for married couples under 65 to £258. This will be a further reduction on the £344 to which it will fall in April, when it is restricted to 20 per cent. Previously, the allowance was worth £688 to higher-rate taxpayers and £430 to basic-rate payers. The restrictions also apply to the additional personal allowance (mainly for single parents), the widows' bereavement allowance and relief for maintenance payments to a divorced or separated spouse. All are set at £1,720.

Since April this year, married couples have been able to elect to share the allowance or have it credited to the wife. Married allowances for the over 65s will be restricted to 20 per cent from April and 15 per cent from April 1995.

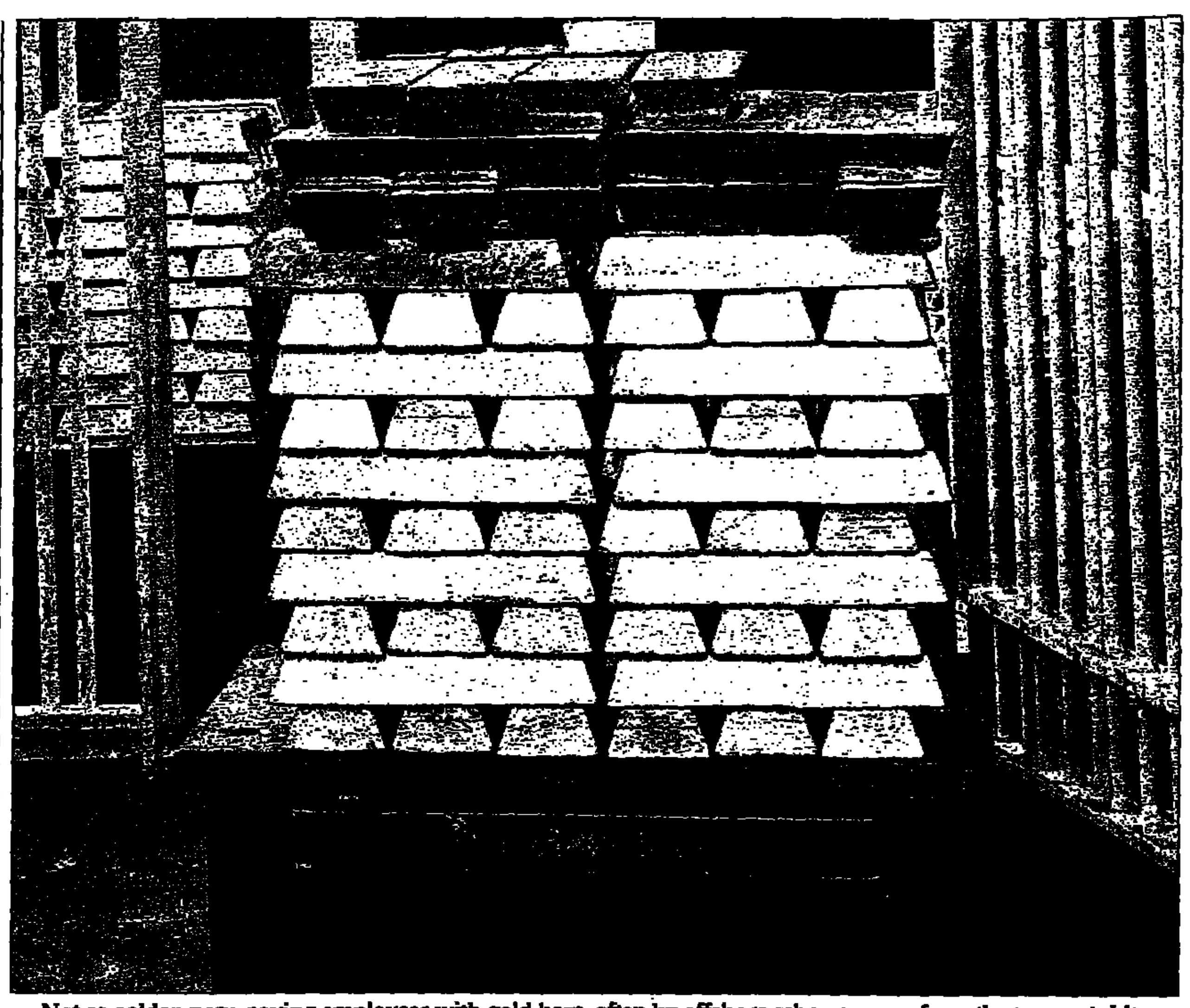
The allowance for married couples aged 65-74 and over 75 will be increased by £330 to make sure that the extra tax paid by the elderly as a result of the restriction is no greater than for those under 65. The allowance for married couples between 65 and 74 in 1994-5 rises from £2,465 to £2,665 and for the over-75s from £2,505 to £2,705.

Restricting the value of the allowance, allied to related measures, will bring in £830 million in 1995-6, rising to £1.03 billion in a full year.

The government has made it plain that it is aiming for a basic rate of tax of 20 per cent. Restricting allowances to this rate and below is a first step towards this. The 20 per cent band was introduced in 1992 on the first £2,000 of taxable income. In March the band was widened to apply to the first £2,500 of taxable income. This increase meant that a further one million people (making a total of 4.9 million) now have all their income taxed at the lower rate.

It was also announced in March that the band would be widened by a further £500 to £3,000 in 1994-5. Mr Clarke confirmed this yesterday.

Other tax bands and rates remain unchanged. Basic-rate tax of 25 per cent in 1994-5 is payable on any taxable income between £3,001 and £23,700. Higher-rate tax at 40 per cent is payable on taxable income of more than £23,700. The income limit for age-related allowances is still £14,200. The single person's allowance remains at £3,445 for 1994-5.



Not so golden now: paying employees with gold bars, often by offshore schemes, now faces the taxman's bite

Taxman grabs bullion and beans

By Susan Gilchrist and Lindsay Cook

GOLD

LUCRATIVE bonus schemes that pay employees in gold bars or even coffee beans to avoid tax will be subject to PAYE tax and National Insurance contributions under proposals to combat tax avoidance. Closing the tax loophole is expected to yield £200 million during 1994-5.

Companies have been using gold bonus schemes for more than two years to pay executives, avoiding employers' National Insurance contributions on the money. Although such bonus payments are subject to tax, they are not accounted for under PAYE, allowing employees to pay tax at a later date. Accountants had expected that the schemes would be made subject to National Insurance. They were devised after a statutory instrument in 1991 prevented companies using cash unit trusts to pay bonuses to staff and escape National Insurance contributions. The employers' contribution is 10.4 per cent of earnings and the standard rate for employees is 9 per cent.

With gold schemes, the bonus is expressed in ounces of gold rather than sterling. To make them worthwhile, the employer needs to have between £250,000 and £500,000 to pay in bonuses. The bullion is held offshore so that no value-added tax has to be paid on it. It is usually held in Hong Kong or America.

Some schemes make sure that the employee is not put at risk by currency or gold-price fluctuations. Others limit the risk of moves to one day before the gold is sold and the cash transferred to the employee's UK bank.

Clive Standford, a corporate tax partner with Touche Ross, the accountancy firm, believes that many firms will have paid bonuses early to beat the Budget.

However, voucher schemes, which allow the payment of bonuses in the form of goods and services and are also exempt from National Insurance contributions, are unaffected. There has been tremendous growth in voucher schemes since 1991, with vouchers worth £50,000 being paid to a single employee in some cases.

The Motivation Marketing Board, which specialises in voucher schemes, received orders for £5 million worth in a three-week period running up to the Budget. One firm paid its staff bonuses totalling £600,000 in vouchers and saved £98,000. Vouchers can be given for most stores and if the amounts are large enough can cover conservatories, the landscaping of gardens or luxury world travel.

Profit-related pay curb deals a blow to bonuses

By Robert Miller

LOOPHOLES

THE move to block the exploitation of the tax relief available on profit-related pay schemes will restrict the amount which in future can be paid out under certain types of special schemes.

This loophole was widely seen as an abuse of the original intention of giving all employees, rather than a selected handful, a share in their company's profits.

Leslie Ferrar, tax partner at KPMG, the accountants, explained: "A number of companies which have established approved profit-related pay schemes have, at the same time, set up special schemes for directors only. Under these, quite a few directors received a disproportionately high bonus compared with the main workforce. Arguably, this is not in the spirit of the schemes as they were originally intended. Clearly the Chancellor thought not."

Since 1987, employers have been able to register a profit-related pay scheme with the Inland Revenue for employees who pay tax under PAYE. There are now nearly 5,000 revenue approved schemes covering 1.7 million employees. Although the schemes need not cover the whole of a business, the number of employees in the scheme must be at least 80 per cent of those working in the relevant part of the business.

Initially, tax relief was given on one-half of profit-related payments up to a limit of 20 per cent of pay or £3,000, whichever was lower. The cash limit was increased to £4,000 in 1989. Tax relief was increased in 1991 so that all payments of profit-related pay are now exempt from tax up to the upper limit.

Mr Clark also announced new measures for the upper percentage limit (UPL) of profit-related pay schemes. In the past, the UPL could be fixed at 160 per cent of base year profits. Now this 160 per cent UPL will have to be increased in certain circumstances, such as where there has been a decrease in taxable pay bills between the base year and the year in which the scheme actually started.

Tax relief restricted on medical insurance

By Sara Bagnall

THE amount of tax relief on private medical insurance for the over 60s will be limited to the basic rate relief (25 per cent) from next April, ending higher-rate taxpayers' entitlement to relief.

Currently, people who pay private medical insurance premiums for someone aged 60 or over can get tax relief. For those at the lower rate or non-taxpayers, relief is at the basic rate of 25 per cent, that is they pay £600 for premiums worth £800. Higher-rate taxpayers can claim additional relief from their local tax office equal to the difference between the basic rate relief and relief at the higher rate. The new rules put an end to this extra relief by limiting it to 25 per cent.

Also, the process has been simplified so people usually will not have to tell their local tax offices about premiums, and insurers' incentives will be limited to £30.

MARRIED COUPLE, BOTH EARNING, ONE CHILD

	1994/95		1993/94		1994/95		1993/94		1994/95		1993/94		1994/95		1993/94	
30,000 MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
GROSS ANNUAL INCOME	12,000	8,000	12,000	8,000	15,000	10,000	15,000	10,000	20,000	15,000	20,000	15,000	30,000	15,000	30,000	15,000
- Personal allowance	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445
- Net mortgage interest	930	930	899	899	930	930	899	899	930	930	899	899	930	930	899	899
Taxable income	6,835	4,555	6,835	4,555	9,835	6,555	9,835	6,555	14,835	11,555	14,835	11,555	24,835	11,555	24,835	11,555
Tax thereon	1,645	989	1,584	1,014	2,395	1,489	2,334	1,514	3,645	2,739	3,584	2,764	6,573	2,739	6,254	2,764
NI contributions	963	563	876	516	1,263	763	1,146	696	1,763	1,263	1,596	1,146	1,999	1,263	1,762	1,146
Child benefit		530		520		530		520		530		520		530		520
NET INCOME	9,392	6,978	9,540	6,990	11,342	8,278	11,520	8,310	14,592	11,528	14,820	11,610	21,428	11,528	21,984	11,610
JOINT NET INCOME	16,370		16,530		19,620		19,830		26,120		26,430		32,956		33,594	
Tax (reduction)/increase	4.26%	£170			3.87%	£220			3.52%	£320			5.43%	£648		
60,000 MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
GROSS ANNUAL INCOME	40,000	20,000	40,000	20,000	60,000	40,000	60,000	40,000	80,000	60,000	80,000	60,000	100,000	80,000	100,000	80,000
- Personal allowance	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445	5,165	3,445
- Net mortgage interest	2,093	2,093	2,097	2,097	2,093	2,093	2,097	2,097	2,093	2,093	2,097	2,097	2,093	2,093	2,097	2,097
Taxable income	34,835	16,555	34,835	16,555	54,835	36,555	54,835	36,555	74,835	56,555	74,835	56,555	94,835	76,555	94,835	76,555
Tax thereon	10,573	3,989	10,254	4,014	18,573	10,917	18,254	10,942	26,573	18,917	26,254	18,942	34,573	26,917	34,254	26,942
NI contributions	1,999	1,763	1,762	1,596	1,999	1,999	1,762	1,762	1,999	1,999	1,762	1,762	1,999	1,999	1,762	1,762
Child benefit		530		520		530		520		530		520		530		520
NET INCOME	27,428	14,778	27,984	14,910	39,428	27,614	39,984	27,816	51,428	39,614	51,984	39,816	63,428	51,614	63,984	51,816
JOINT NET INCOME	42,206		42,894		67,042		67,800		91,042		91,800		115,042		115,800	
Tax (reduction)/increase	3.96%	£698			2.35%	£768			1.58%	£768			1.19%	£768		

MARRIED COUPLE, NON-WORKING SPOUSE, TWO CHILDREN

30,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	15,000	15,000	20,000	20,000	25,000	25,000	30,000	30,000	35,000	35,000
- Personal allowance	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165
- Net mortgage interest	1,860	1,798	1,860	1,798	1,860	1,798	1,860	1,798	1,860	1,798
Taxable income	9,835	9,835	14,835	14,835	19,835	19,835	24,835	24,835	29,835	29,835
Tax thereon	2,395	2,334	3,645	3,584	4,895	4,834	6,573	6,254	8,573	8,254
NI contributions	1,263	1,146	1,763	1,596	1,999	1,762	1,999	1,762	1,999	1,762
Child benefit	960	942	960	942	960	942	960	942	960	942
NET INCOME	12,302	12,482	15,552	15,782	19,066	19,346	22,388	22,926	25,388	25,926
Tax (reduction)/increase	5.11%	£178	4.40%	£228	4.52%	£298	6.94%	£556	5.55%	£556
60,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	45,000	45,000	60,000	60,000	100,000	100,000	140,000	140,000	180,000	180,000
- Personal allowance	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165
- Net mortgage interest	4,185	4,195	4,185	4,195	4,185	4,195	4,185	4,195	4,185	4,195
Taxable income	39,835	39,835	54,835	54,835	94,835	94,835	134,835	134,835	174,835	174,835
Tax thereon	12,573	12,254	18,573	18,254	34,573	34,254	50,573	50,254	66,573	66,254
NI contributions	1,999	1,762	1,999	1,762	1,999	1,762	1,999	1,762	1,999	1,762
Child benefit	960	942	960	942	960	942	960	942	960	942
NET INCOME	31,388	31,926	40,388	40,926	64,388	64,926	88,388	88,926	112,388	112,926
Tax (reduction)/increase	3.97%	£556	2.78%	£556	1.54%	£556	1.07%	£556	0.82%	£556

MARRIED COUPLE, 65-74

	1994/95		1993/94		1994/95		1993/94		1994/95		1993/94		1994/95		1993/94	
NO MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
INCOME (PENSIONS)	8,248	1,846	8,248	1,752	13,248	1,846	13,248	1,752	18,248	1,846	18,248	1,752	23,248	1,846	23,248	1,752
- Personal allowance	6,865	4,200	6,665	4,200	6,865	4,200	6,665	4,200	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200
Taxable income	1,383	0	1,583	0	6,383	0	6,583	0	13,083	0	13,083	0	18,083	0	18,083	0
Tax thereon	329	0	317	0	1,579	0	1,521	0	3,207	0	3,146	0	4,457	0	4,396	0
NET INCOME	7,919	1,846	7,931	1,752	11,669	1,846	11,727	1,752	15,041	1,846	15,102	1,752	18,791	1,846	18,852	1,752
JOINT NET INCOME	9,765		9,683		13,515		13,479		16,887		16,854		20,637		20,604	
Tax (reduction)/increase	3.79%	£12			3.81%	£58			1.94%	£61			1.39%	£61		
NO MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
INCOME (PENSIONS)	18,248	1,846	18,248	1,752	23,248	1,846	23,248	1,752	28,248	1,846	28,248	1,752	43,248	1,846	43,248	1,752
+ Investment income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	9,000	6,000	9,000	6,000
- Personal allowance	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200	5,165	4,200
Taxable income	19,083	1,646	19,083	1,552	24,083	1,646	24,083	1,552	29,083	1,646	29,083	1,552	47,083	3,646	47,083	3,552
Tax thereon	4,707	329	4,646	310	6,272	329	5,953	310	8,272	329	7,953	310	15,472	762	15,153	738
NET INCOME	19,541	5,517	19,602	5,442	22,976	5,517	23,295	5,442	25,976	5,517	26,295	5,442	36,776	7,084	37,095	7,014
JOINT NET INCOME	25,058		25,044		28,493		28,737		31,493		31,737		43,860		44,109	
Tax (reduction)/increase	1.61%	£80			5.40%	£338			4.09%	£338			2.16%	£343		

MARRIED COUPLE, OVER 75

	1994/95		1993/94		1994/95		1993/94		1994/95		1993/94		1994/95		1993/94	
NO MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
INCOME (PENSIONS)	8,326	1,846	8,248	1,752	10,326	1,846	10,248	1,752	13,326	1,846	13,248	1,752	18,326	1,846	18,248	1,752
- Personal allowance	7,075	4,370	6,875	4,370	7,075	4,370	6,875	4,370	7,075	4,370	6,875	4,370	5,165	4,370	5,165	4,370
Taxable income	1,251	0	1,373	0	3,251	0	3,373	0	6,251	0	6,373	0	13,161	0	13,083	0
Tax thereon	298	0	275	0	798	0	718	0	1,548	0	1,468	0	3,226	0	3,146	0
NET INCOME	8,028	1,846	7,973	1,752	9,528	1,846	9,530	1,752	11,778	1,846	11,780	1,752	15,100	1,846	15,102	1,752
JOINT NET INCOME	9,874		9,725		11,374		11,282		13,624		13,532		16,946		16,854	
Tax (reduction)/increase	8.36%	£23			11.14%	£80			5.45%	£80			2.54%	£80		
NO MORTGAGE	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife	Husband	Wife
INCOME (PENSIONS)	13,248	1,846	13,248	1,752	18,248	1,846	18,248	1,752	23,248	1,846	23,248	1,752	23,248	1,846	23,248	1,752
+ Investment income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	9,000	6,000	9,000	6,000
- Personal allowance	5,165	4,370	5,165	4,370	5,165	4,370	5,165	4,370	5,165	4,370	5,165	4,370	5,165	4,370	5,165	4,370
Taxable income	14,083	1,476	14,083	1,382	19,083	1,476	19,083	1,382	24,083	1,476	24,083	1,382	27,083	3,476	27,083	3,382
Tax thereon	3,457	295	3,396	276	4,707	295	4,646	276	6,272	295	5,953	276	7,472	719	7,153	721
NET INCOME	15,791	5,551	15,852	5,476	19,541	5,551	19,602	5,476	22,976	5,551	23,295	5,476	24,776	7,127	25,095	7,031
JOINT NET INCOME	21,342		21,328		25,092		25,078		28,527		28,771		31,903		32,126	
Tax (reduction)/increase	2.18%	£80			1.83%	£80			5.43%	£338			4.03%	£317		

SINGLE PERSON, NO CHILDREN

30,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
- Personal allowance	3,445	3,445	3,445	3,445	3,445	3,445
- Net mortgage interest	1,860	1,798	1,860	1,798	1,860	1,798
Taxable income	6,555	6,555	11,555	11,555	16,555	16,555
Tax thereon	1,489	1,514	2,739	2,764	3,989	4,014
NI contributions	763	696	1,263	1,146	1,763	1,596
NET INCOME	7,748	7,790	10,998	11,090	14,248	14,390
Tax(reduction)/increase	1.90%	£42	2.35%	£92	2.53%	£142
60,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	30,000	30,000	45,000	45,000	60,000	60,000
- Personal allowance	3,445	3,445	3,445	3,445	3,445	3,445
- Net mortgage interest	4,185	4,195	4,185	4,195	4,185	4,195
Taxable income	26,555	26,555	41,555	41,555	56,555	56,555
Tax thereon	6,917	6,942	12,917	12,942	18,917	18,942
NI contributions	1,999	1,762	1,999	1,762	1,999	1,762
NET INCOME	21,084	21,296	30,084	30,296	39,084	39,296
Tax(reduction)/increase	2.44%	£212	1.44%	£212	1.02%	£212

SINGLE PERSON, TWO CHILDREN

30,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	12,000	12,000	15,000	15,000	20,000	20,000
- Personal allowance	5,165	5,165	5,165	5,165	5,165	5,165
- Net mortgage interest	1,860	1,798	1,860	1,798	8,160	1,798
Taxable income	6,835	6,835	9,835	9,835	14,835	14,835
Tax thereon	1,645	1,584	2,395	2,334	3,645	3,584
NI contributions	963	876	1,263	1,146	1,763	1,596
Child benefit	960	942	960	942	960	942
NET INCOME	10,352	10,482	12,302	12,462	15,552	15,762
Tax (reduction)/increase	6.02%	£148	5.11%	£178	4.40%	£228
60,000 MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	30,000	30,000	45,000	45,000	60,000	60,000
- Personal allowance	5,165	5,165	5,165	5,165	5,165	5,165
- Net mortgage interest	4,185	4,195	4,185	4,195	4,185	4,195
Taxable income	24,835	24,835	39,835	39,835	54,835	54,835
Tax thereon	6,573	6,254	12,573	12,254	18,573	18,254
NI contributions	1,999	1,762	1,999	1,762	1,999	1,762
Child benefit	960	942	960	942	960	942
NET INCOME	22,388	22,926	31,388	31,926	40,388	40,926
Tax(reduction)/increase	6.94%	£556	3.97%	£556	2.78%	£556

SINGLE PERSON, 65-74

NO MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
- Personal allowance	4,200	4,200	3,800	3,800	3,445	3,445
Taxable income	5,800	5,800	11,200	11,200	16,555	16,555
Tax thereon	13,00	1,325	2,650	2,675	3,989	4,014
NET INCOME	8,700	8,675	12,350	12,325	16,011	15,986
Tax (reduction)/increase	(1.89%)	(£25)	(0.93%)	(£25)	(0.62%)	(£25)
NO MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	25,000	25,000	30,000	30,000	35,000	35,000
+ Investment income	15,000	15,000	15,000	15,000	15,000	15,000
- Personal allowance	3,445	3,445	3,445	3,445	3,445	3,445
Taxable income	36,555	36,555	41,555	41,555	46,555	46,555
Tax thereon	10,917	10,942	12,917	12,942	14,917	14,942
NET INCOME	29,083	29,058	32,083	32,058	35,083	35,058
Tax (reduction)/increase	(0.23%)	(£25)	(0.19%)	(£25)	(0.17%)	(£25)

SINGLE PERSON, OVER 75

NO MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
- Personal allowance	4,370	4,370	3,970	3,970	3,445	3,445
Taxable income	5,630	5,630	11,030	11,030	16,555	16,555
Tax thereon	1,258	1,283	2,608	2,633	3,989	4,014
NET INCOME	8,742	8,717	12,392	12,367	16,011	15,986
Tax (reduction)/increase	(1.95%)	(£25)	(0.95%)	(£25)	(0.62%)	(£25)
NO MORTGAGE	1994/95	1993/94	1994/95	1993/94	1994/95	1993/94
GROSS ANNUAL INCOME	25,000	25,000	30,000	30,000	35,000	35,000
+ Investment income	15,000	15,000	15,000	15,000	15,000	15,000
- Personal allowance	3,445	3,445	3,445	3,445	3,445	3,445
Taxable income	36,555	36,555	41,555	41,555	46,555	46,555
Tax thereon	10,917	10,942	12,917	12,942	14,917	14,942
NET INCOME	29,083	29,058	32,083	32,058	35,083	35,058
Tax (reduction)/increase	(0.23%)	(£25)	(0.19%)	(£25)	(0.17%)	(£25)

Figures compiled by KPMG Tax Advisors

The following assumptions have been made: [1] Mortgage interest is paid under Miras and allocated equally, except where more beneficial allocation exists. [2] Retired married wives receive state pension only. [3] Calculations rounded to nearest pound. [4] Class I National Insurance contributions (not contracted out).

Families react: low earners and pensioners expect to feel the pinch from a 'lacklustre' package

Clarke praised for sticking to his guns on small business

By Lucy Berrington

IT WAS a Budget more about giving than taking, according to Gillian Hardwood, a businesswoman and single mother. "I was impressed that the Chancellor really did seem to be finally getting to grips with the way the government runs its own finances."

Ms Harwood, 50, is self-employed, developing workplaces for small businesses and restaurants. She has two daughters, aged 18 and 19. During the recession her personal income has fallen by more than half.

This year she will pay herself £30,000, keeping her in the 40 per cent tax bracket. She also has about £30,000 in shares, £20,000 in Peps and £50,000 in additional savings. She says that her family circumstances rely on the Chancellor's support for small businesses. "Kenneth Clarke is obviously sticking to his word about being a Chancellor for business."

Ms Harwood lives in a large Victorian house in Wandsworth, south London, worth about £250,000 and not mortgaged, and uses a company-owned weekend cottage in Sussex. She plans to move to a smaller London house but also hopes to buy the cottage from the company.

That would involve a mortgage, "but I hadn't pinned my hopes on mortgage interest relief. It has been so minimal for a while." VAT on domestic fuel will be a big factor when house-hunting, she says.

"More and more you have to bear in mind the cost of running a house. The cottage is insulated up to the eyebrows and costs hardly anything to run. My London house is getting very expensive to heat. I'm absolutely horrified that I spend about £100 a month heating and lighting it, as I never spend any time in it. The first thing I'll do when the price of fuel goes up is put in a modern condensing boiler, and buy another thermal vest. But I already wear two. I'm a real Edwina Currie in that respect."

She is relieved that familiar income-tax thresholds are being retained and that new VAT and higher excise duties will not hit as hard as expected. "Rises of 5 to 10 per cent on drink would have meant we had to instantly reprint all our menus, adjust our prices and probably absorb the cost again. That is a killer for small businesses."

Ms Harwood spends £110 a month on insurance policies but the 3 per cent levy on

SINGLE MOTHER/ ENTREPRENEUR

insurance premiums, like the additional air-travel tax, does not worry her: "Everyone can shop around a bit for insurance. Holidays now are so competitive anyway and one's quite used to paying taxes on landing and take-off when abroad."

Ms Harwood spends £20-£30 a week on food and "virtually nothing" on new clothes. She does not smoke — "so I'm delighted he's put the price up on cigarettes" — but says that 2p on a bottle of wine seems "a bit stingy. I think he's thumbing his nose at the French."

She drives a "very modest" company car, a Renault Clio, incurring negligible private fuel bills. "Petrol prices go up and down every week. I think no one takes a blind bit of notice any more."

Frugal living allows for the luxuries, she says: "Nearly all my income goes on education; school fees and university maintenance. If they had put VAT on school fees that would have been the biggest worry for me. School fees are horrendous. Flossie is on full fees at Christ's Hospital, about £10,500 a year, and Hester is at university in Bristol, so I pay her lodgings, book allowances and maintenance." The reductions in student grants will not affect the Harwoods as they do not receive one.

An equal retirement age for men and women is "quite reasonable", she says, but adds: "It is not good for women as apparently they won't get such large lump sum private pension payments. The problem too is that most women have difficulty getting jobs once they are past a certain age."

Ms Harwood feels that means-testing for child benefit should have been introduced. "I've always felt guilty about receiving it, and saved it. I opened post office investment accounts for the girls and it has mounted up to about £6,000 each. Recently I put it into stocks and shares for them."

During the approach to the Budget the replacement for the Business Enterprise Scheme intrigued her most and she is delighted about the Enterprise Investment Scheme. "My problems with the BES have been addressed. The investors can now get involved with the running of the business. I wanted family members to get some sort of benefit for ploughing in their resources. My mother helped me get my business off the ground and I appreciate tax incentives to do the same for my daughters."

ROLAND LEON

Richard and Carol Wallace, who believe that any gains they make from cuts in income tax will be offset by higher charges in other areas

Back to basics 'is more like taxing basics'

By Andrew Pierce

FAMILY OF FOUR/ONE INCOME

A CHARITY worker from the Midlands last night mocked the government's pledge to go "back to basics". Richard Wallace, 46, married with two children, earns £18,000 a year and expects to be even worse off when Kenneth Clarke's proposals come into effect.

"The government talks about going back to basics, but it seems to be taxing the basics such as invalidity benefit or fuel," he said. "We will be moderately worse off, but if you are sick or unemployed you will be really hurting."

Mr Wallace, whose salary puts him comfortably above the national average salary of £14,000 and considers his household to be lower middle-class, said that the Budget had done nothing to make him more likely to vote Conservative. "I think people's opinions will harden when they know where the £5 billion of spending cuts have been targeted," he said.

Mr Wallace, and his wife Carol, 42, and their children Alec, 13, and Robin, 7, never go on holiday. They have no savings. "I am not likely to have any come the next Budget," he said.

Mr Wallace, who works for Oxfam, admitted he had feared worse. "I will be moderately worse off, but it was not as bad as we had been led to believe."

The Wallaces have a £36,000 mortgage on their £50,000 Edwardian terraced house in Cotteridge, West Midlands. They expect that changes to the mortgage tax relief threshold will cost them £10 a month, and believe it will soon be abolition totally. "That would have been crippling if he had announced it was going overnight."

The couple expect to make a small gain from a widening of the 20 per cent tax band personal tax allowances. However, they expect that will be offset by the increase in insurance premiums, changes to the married couple's allowance, the extra duty on alcohol, the freezing of personal allowances and the VAT on domestic fuel bills, which will cost a further £60 a year.

The decision to extend the student grant scheme also caused concern. Mrs Wallace is on a grant and does not want to go into debt to further her education and improve her job prospects.

"Governments should provide education free," she said. "Students should not be forced into debt even before they start work."

The family receives £18 a week child benefit. They believe it should be means-tested. Mr Wallace said: "It's a blanket benefit. Princess Diana could get it as pocket money, but for us it goes into the family kitty and pays for essentials. If it's frozen while other things are going up it's going to make us that bit worse off."

There was relief that the Chancellor did not extend Vat to newspapers and books. "We used to have two newspapers a day, but now I buy one every couple of days and books only occasionally."

Mr Wallace drives a Proton donated to Oxfam by Mitsubishi, and faces a slight increase in private (unleaded) petrol bills from £18 to £20 a week. Further economising will be difficult, but is now essential.

Mr Wallace said: "We hardly ever eat out or go to the cinema. Our money goes on essentials. I will use the car less and try to cut down on gas and electricity, but it can only be trimming. There is no fat left to cut."

Clarke ignores fall in income for the retired

By Andrew Pierce

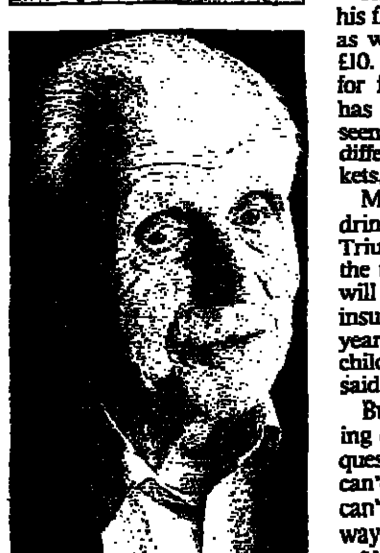
THE Chancellor's refusal to help savers, whose incomes have dropped dramatically because of the drop in interest rates, was bitterly criticised by Harold Jones, 91, a retired surveyor.

"Margaret Thatcher used to extol the virtues of saving money. Now savers are an endangered species," he said.

"If I was 30 years younger, I would start a non-investors' society," said Mr Jones, who estimates that the interest on his £80,000 savings fell by £9 a week when the base rate was cut by 0.5 of a percentage point last week.

"In the past two years my income has dropped by nearly 60 per cent. I have to dip into

PENSIONER/ SAVINGS



Jones: "savers are an endangered species"

my capital more and more to survive. The Budget has done nothing to alter that.

"The government says that cutting interest rates boosts trade. But it also restricts the spending power of pensioners. And there are a lot of us.

"I could have a new car if the rates were not so low. It's not fair that Budgets seemed designed to help only borrowers and people with mortgages. Not that they got much this time either."

Mr Jones lives in his own flat in Newcastle upon Tyne and has no mortgage. He receives a state pension of £56 a week, which will increase by £1.30. Interest from investments, in National Savings certificates and building societies, raises his weekly income to £170. He has to pay tax but expects to be £50 a year better off because of the change in the 20 per cent rate bracket.

However, Mr Jones was not impressed by the launch of a pensioners' savings bond. "If it is over five years that will not do very much for me," he said.

He spends £15 a week on domestic fuel in the winter and said that the decision to press ahead with VAT on fuel was "nothing short of a scandal". He was not placated by the announcement of assistance with fuel bills for all pensioners and an increase to £7 in the cold weather payments.

"The government will live to regret VAT on fuel," he said.

The maintenance costs on his flat amount to £20 a week, as well as the council tax of £10. His weekly shopping bills for food total £35. "Inflation has gone down but it doesn't seem to make that much difference in the supermarkets," he said.

Mr Jones does not smoke or drink but runs a 13-year-old Triumph Dolomite, paying the tax and insurance, which will increase by £5 a year, and insurance by "tens of pounds a year". "I am lucky my grandchildren pay for my petrol," he said.

But any thoughts of spending on luxuries are out of the question. Mr Jones said: "I can't say I'm hard up but I can't spend. Extra costs always turn up.

"My new hearing aid cost £500. I'll just have to wait until my boots wear out before replacing them."

Mr Jones, a lifelong Tory voter who was unlikely to change his allegiance because of the Budget, had feared the worse. "But they always make people think it is going to be terrible.

"When the Budget is delivered it is only half as bad as you expected so you end up thinking the Budget wasn't too bad. It's an old tactic."

Mr Jones accepted that many of his friends were not as "well to do" as he was. "Even my grandchildren will be worse off.

"I will have to be careful," he added. "I give a fair amount to charity, and spend on family birthdays. But that might have to go down."

MARTIN BEDDALL

Carol Reay, shopping in the King's Road, London, with Alexander, believes child benefit should be means-tested

'I don't feel guilty about being well off but think I should pay more tax'

By Lucy Berrington

HIGH EARNER/MANAGING DIRECTOR

"IT WAS a very lacklustre Budget. It didn't seem to have too much in it and wasn't very controversial," Carol Reay said. Ms Reay, 37, is chief executive and managing director of Reay Keating Hamer, an advertising agency.

She earns "£80,000 plus", owns 20 per cent of the company and has £18,000 in personal equity plans. She lives in Fulham, southwest London, with her partner, who is not currently earning, and baby son, Alexander.

The predicted tax rises for higher earners would not have worried her: "Personally, I think it's a mistake that they didn't materialise. I don't feel guilty about being well-off but I think I should pay more tax. I don't think it should be punitively high but a marginal increase would be socially responsible."

She applauds an equal retirement age for men and women but believes it should be 60 rather than 65. "That would have been a more civilising move. People coming into the workforce should be able to expect a shorter working life and a longer active retirement, especially now that we are taking out more personal pensions." Ms Reay has three private pension schemes.

The family receives £8 child benefit a week, which she said should be the subject of means-testing. "I don't think someone like me should have it." She employs a nanny at £240 a week and regrets that tax relief on childcare has not been introduced. She said that women did not have equal opportunities without such relief. "It's a business expense."

The principle of a childcare allowance for those on benefits pleased her, however. "That's a great step forward. It shows the government has at least heard the messages. That's helpful for those receiving it and very hopeful for the rest of us."

Domestic fuel costs her £30 a week. She opposes the VAT on domestic fuel bills that was confirmed by the Chancellor yesterday and said that it taxed the wrong people. "I can afford to pay it but I'm worried that there won't be proper compensation for those who can't," she said.

Ms Reay added that her mother worked for Age Concern, and the effect would be "quite horrific".

The 3 per cent VAT on insurance premiums was a more welcome decision. "I suppose we have to expect that anything not taxed will come under the watchful eye of the Chancellor. I'd rather have this than VAT on children's clothing."

Ms Reay spends £150 a week on food and £100 on entertainment. "Increased wine prices will not reduce my consumption. That extra duty always strikes me as peripheral and uncreative on the part of the Treasury. Alcohol is a luxury but it's an ordinary luxury. Taxing it is tinkering around on the edges when more important things could be done."

Additional taxes and lower tax relief will hardly affect her. She drives a company-owned car, a Mercedes, and pays £30 a week for private petrol, a bill that will increase by about £1.80.

She has a mortgage of £130,000 on a house which is currently worth £290,000. The reduction in mortgage interest relief — it will be cut to 15 per cent from April 1995 — will cost her £10 a month.

Family's feared economies need not be made

By Lucy Berrington

DAVID Leake, a marketing communications manager, was "encouraged that we are not getting the rumoured tax increases, in view of the claims made at the general election".

Mr Leake, 39, who is marketing communications manager for the insurance company Allied Dunbar, lives in Ramsbury, Wiltshire, with his wife Gillian, 37, and twin seven-year-old sons Thomas and James.

He receives a salary of £29,000 a year, topped up with freelance payments, putting him in the 40 per cent tax bracket. His wife, a part-time lecturer at Reading University, earns £10,500 a year. Five weeks ago they moved into a new £120,000 house, incurring an £80,000 mortgage. They have savings of £12,000.

The drop in mortgage interest relief to 15 per cent will add £10 a month to their bills. "We've budgeted for a fixed-rate mortgage for one or two years," he said. "Any increase hits us but we are pleased that tax relief has not been abolished."

Mr Leake is also relieved that higher national insurance contributions, which would have more than countered the gain from the widening of the 20 per cent tax band to £3,000, will not be levied.

The further reduction in the married couples' tax allowance should have been avoided on principle, he says, though it will not make a noticeable difference to his own finances.

"I think both sexes should be able to retire at 60 rather than 65, especially as they are being expected to take more responsibility for planning their retirements. That should have been reflected in a lowered age policy."

Mr Leake drives a Volkswagen Passat estate, owned by the company, incurring private petrol bills of £20 a week. These will rise by about £1.20. "It will not make a difference; I need to drive every day. Higher charges could have meant we didn't visit relatives so frequently."

The Leakes are not planning a holiday overseas next year so will not be affected by the new tax to be imposed on air travellers.

He is puzzled that expected extensions to the base of VAT have not been introduced: "There are discrepancies in VAT, other things that could be included."

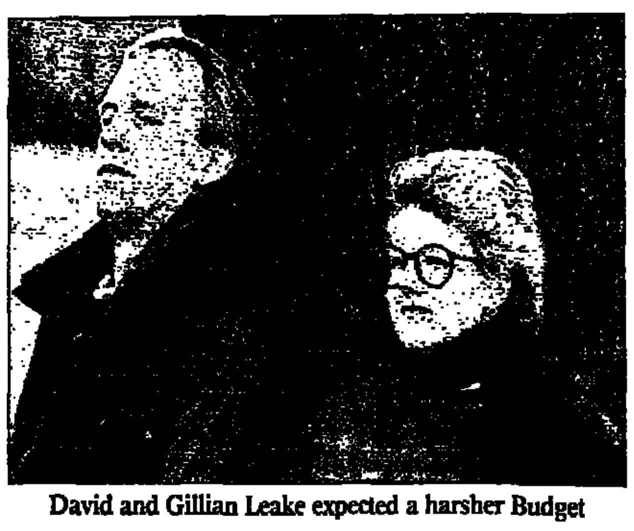
VAT on domestic fuel, now a certainty, is not a direct prob-

NUCLEAR FAMILY/ DOUBLE INCOME

lem for the Leakes. "I'm more concerned for the effect on other people, relatives with less disposable income. It's making my parents more and more vulnerable."

The Leakes spend £30 a week on food, rarely eat out and do not smoke. They take newspapers three days a week and are pleased that VAT has not been extended to newspapers and books.

Their planned economies will not have to be made. "We can keep what little entertainment expenses we have — the theatre — and the DIY lined up for the next year. We didn't intend to spend as much on Christmas as we normally do, partly as a result of moving house and partly because we anticipated a harder Budget."



David and Gillian Leake expected a harsher Budget

The Chancellor's speech

Clarke the lion-tamer defends recovery

A POLITICIAN presenting his first Budget is like a lion tamer trying out his act for the first time. I have decided to tackle the difficulties I face in a direct way, on the basis of the clear policy objectives I set myself when I became Chancellor.

My first priority has been to sustain the economic recovery now under way and to create the right climate for growth and jobs. I have been determined to take no risks with inflation. To achieve these objectives, the task of my first Budget has been to set the government's finances on a sustainable path for the rest of the decade.

■ Kenneth Clarke, the Chancellor, yesterday presented the first unified Budget, speaking for one hour 14 minutes. The following is an edited text of his speech

Economic prospects

Britain's economic performance this year has been encouraging. It is now clear that the recovery started in the first half of 1992, well before sterling's departure from the exchange-rate mechanism. GDP has risen for six successive quarters. And in 1993 as a whole, I now expect the economy to grow by about 1¾ per cent. Unemployment has fallen since the beginning of the year, at a much earlier stage in the economic cycle than past experience would suggest.

And crucially, the recovery has been accompanied by continuing low inflation. Underlying inflation has not been lower since 1968. And unit wage costs in manufacturing have actually fallen this year, allowing British industry to establish a durable improvement in competitiveness.

As a result, despite the weakness of activity in the other major European countries, Britain's trading performance over the last year has been excellent. Exports to countries outside the European Union were up by no less than 14 per cent in the last three months compared with a year ago — a sharp increase in our market share. Continued growth in consumer spending, together with further increases in exports and investment, should bring faster growth in 1994. On the best judgment I can make, growth next year should about 2½ per cent.

The tax measures announced in March, and the further measures I shall be announcing today, will push inflation up a little in the next few months. But this should not feed through into higher inflation over the medium term.

I expect underlying inflation to remain inside the government's 1 to 4 per cent target range over the year ahead, and to decline steadily into the lower half of that range by the end of this Parliament. Monetary policy will continue to be directed towards meeting that objective.

Monetary policy

As now, my decision on interest rates will be based on a careful assessment of monetary conditions and inflationary trends, focusing particularly upon the growth of narrow and broad money, changes in the exchange rate and movements in asset prices. On the basis of these indicators, I felt able last week to reduce interest rates to 5½ per cent, the lowest level for 16 years. Since 1990, industry's interest bill has been slashed by nearly £12 billion a year, and the typical mortgage borrower is paying £170 less each month. That is a massive boost to spending power, fully justified by the remarkable progress we have made on inflation.

Starting with last week's change, I decided to give the Bank of England responsibility for the precise timing of interest rate movements. This underlines my commitment to the new framework for monetary policy established by my predecessor last September.

Funding policy

The increasing credibility of that framework has brought our long-term interest rates down to their lowest level for over 25 years. That fact also demonstrates the ease with which this year's borrowing requirement has been financed. But the very success of the funding programme, coupled with last year's substantial gilt sales to banks and building societies, has squeezed the liquidity of the banking system, complicating the task of managing the money markets.

To offset the purchases made by banks and building societies last year, I intend to sell some £7 billion fewer gilts than would otherwise be necessary to fund the public sector borrowing requirement through to the end of 1994-5. Using this flexibility in our established funding policy will ease money market pressures, while continuing to ensure that borrowing is financed in a non-inflationary way.

Risks of the recovery

World economic developments: Two substantial risks remain. First, the continuing weakness of world economic activity, particularly in continental Europe. What manufacturing industry needs most is a pick up of activity in the rest of Europe. But economic recovery on the Continent will not be enough on its own. Europe's economic problems are not just cyclical. The continent as a whole faces a number of deep-rooted and long-standing challenges — inflexible markets and declining competitiveness, which have combined to produce mounting structural unemployment.

We must continue to work for more flexible and deregulated labour markets across the Continent. And we must continue to fight for free trade, not just within the European Union, but between the union and the rest of the world. The first essential step is to secure a satisfactory conclusion to the GATT round.

The public finances: The second major risk to the recovery is the public finances. The overriding need is to place the public finances on a sound footing. That is the immediate task of the Government and the main theme of my Budget today. Business can plan ahead with confidence only if it knows that government borrowing is under control.

Fiscal policy

In March, Mr Lamont announced a series of tax measures designed to reduce public sector borrowing over the medium term. But necessary and controversial as those measures were, they still left the prospect of a borrowing requirement of over 4 per cent of GDP by the end of this Parliament. In my judgment, we now need to go further … As a government with a long-term tax-cutting agenda, we must stop ever more national debt piling up for future generations to pay. And as a government determined to deliver sustained recovery, we must ensure that billions of pounds of the nation's savings are not poured into the public sector — savings that are better used by the private sector, to support investment, expansion and jobs.

Britain's recovery can only be sustained if we tackle the deficit now … The measures I am announcing today will in themselves reduce the public sector borrowing requirement by a further £5.5 bn in the next financial year, by £7 bn in 1995-6 and by £10.5 bn in 1996-7, equivalent to 1¼ per cent of GDP by the end of this Parliament …

It will help to reduce the public sector borrowing requirement from just under £50 billion in the current year to about £38 billion next year. It should eliminate borrowing to finance current spending by 1997-8 and eliminate government borrowing entirely by the end of the decade.

VAT on fuel and power

Mr Lamont's decision to extend VAT to domestic fuel and power was in my view fully justified and I have no intention of asking Parliament to change the measure which it has already voted in favour of. To reduce borrowing, we had to raise revenue. In a full year, VAT on domestic fuel will raise nearly £3 billion, without affecting the job-creating sectors of the economy. It will also help to meet Britain's commitment to aim to return carbon dioxide emissions to their 1990 levels by the end of this decade.

But the government recognised from the outset that the poorest would need extra help. First, even before the extra help we intend to provide, all those on income-related benefits will get a substantial increase next April under the normal uprating rules. Benefits will rise by 3½ per cent — a lot more than many people in work will get next year.

But on top of that automatic increase, the government has decided to provide further substantial help. For poorer households other than pensioners and the disabled, we will calculate the benefit increases that would be paid at the April 1995 uprating from VAT on fuel, and pay them a year early — this coming April. This will ensure that extra help is available before the bills arrive. In April 1995, we will adopt a similar approach, bringing forward the VAT element in the benefit uprating once more. And in April 1996 this extra payment will remain as a permanent addition to benefit.

For poorer pensioners and disabled people on income-related benefits, we intend to go further. Next April, we will give a special increase on top of the normal uprating: 50p a week for single people and 70p a week for couples. In April 1995 this will be doubled to £1 a week for single people and £1.40 a week for couples, partly through the normal uprating and partly through a further special increase.

And by April 1996, benefits will be £1.40 a week higher for single poorer pensioners and £2 a week higher for couples than they would otherwise have been. The immediate impact next April will be to give a pensioner couple on income support a total increase in benefit of £4 a week.

Cold weather payments will also be increased, to help the most vulnerable groups during periods of exceptionally cold weather. Next winter these payments will go up from £6 to £7 a week; and there will be a further increase to £7.50 a week from November 1995. This is a substantial package of help, which fully discharges the promise we have made. It will ensure that the introduction of VAT does not put the cost of fuel beyond the reach of the poorest in our society.

That promise was, of course, restricted to people on means-tested benefits. But I do recognise that there is another group who have struggled to cope over recent years and will also have difficulty in meeting their higher fuel bills.

Many retired people on modest incomes have worked hard all their lives and have been careful to put something aside each week. Often these savings mean that they cannot claim benefit. Yet while millions of families and businesses have benefited from falling interest rates over the last three years, many of these people feel that they have lost out again.

The government has therefore decided to give extra help not just to those on modest incomes, but to all pensioners. We will do so in three years.

First, the Secretary of State for the Environment [John Gummer] has decided to boost the home energy efficiency scheme by £35 million a year over the next three years. An equivalent extension will be made in Northern Ireland. This will provide substantial financial assistance with home insulation, helping people to reduce their fuel bills whilst staying warm. By almost doubling the present provision, we will be able to extend eligibility to all pensioners and all disabled people.

Second, I shall help savers and particularly those whose incomes are made unpredictable by changes in interest rates. I intend to introduce a new pensioner's guaranteed income bond which will combine a fixed rate of interest, guaranteed for five years, with regular monthly interest payments. Pensioners will be able to invest their savings, with complete security, and know exactly what income they will be getting — month in, month out.

Third, and most significant, I intend to make a special addition to pensions — and to the benefits linked to it — over and above the normal uprating in line with the retail prices index. Over the next two years I propose to give to all pensioners exactly the same extra help with their fuel bills as those pensioners on income-related benefits will be getting.

Mr Clarke, at the despatch box yesterday, said his first priority was to sustain the economic recovery

This extra help will build up over time. By April 1996, the weekly retirement pension for a pensioner couple will be £1.85 a week higher than it would otherwise have been without the VAT increase. A single pensioner will receive £1.30 a week more.

On average, pensioners are likely to find that, after taking account of falling real fuel prices, the extra help they receive will broadly cover changes in fuel bills, including VAT, over the course of this Parliament. In a very difficult year for public spending, this amounts to a huge package of extra help. Fifteen million people will benefit. We shall be providing around £400 m of extra help next year, and around £1¼ bn extra in the year 1996-7.

Public spending

In June, the cabinet imposed tight ceilings on public spending over the next three years — a real-terms freeze in the new control total over the next two years, with growth limited to 1 per cent a year thereafter. In my view, nothing tougher has been attempted since this government came to power in 1979.

Anyone who has actually run one or more of the big departments of state knows how unacceptable it would be to contemplate cuts in the health service, in our education system, or in the resources needed to improve law and order. In a modern and civilised society no one can regard all public spending as a bad thing.

Of course, more spending is not the only way to improve our public services. Quality public services also depend crucially on greater efficiency, better value for money and, where sensible, on the involvement of private sector money, management and advice.

Earlier this year the chief secretary [Michael Portillo] launched a series of fundamental public expenditure reviews to establish more clearly that the government's new spending plans are fully consistent with the tough limits agreed by the cabinet in June.

For the next three years, total government expenditure will grow by substantially less than the projected growth of the economy. Public spending will therefore fall as a proportion of national income, from around 45 per cent this year to 42.5 per cent in 1996-7.

Public sector pay: To achieve this, we have started with a rigorous approach to the government's administrative costs. Central government running costs, including pay bills, will be frozen at this year's cash level. Pay increases for public sector staff will therefore have to be paid for by greater efficiency or savings in the cost of running government.

But we have also had to conduct a searching examination of spending on government programmes. That examination began with the largest spending programme of all, social security.

Social security

Social security spending is increasing at an underlying rate of more than 3 per cent a year in real terms, well above the sustainable growth rate of the economy as a whole. If this trend continues it will place a quite impossible burden on the working population in the future — our children and our children's children …

A good social security system, under which the better off and people in work pay to support the poor and the disadvantaged, is an essential feature of a modern civilised state. In reviewing the social security budget, the government's objectives have been to ensure that the social security system is better targeted on today's real needs and to make it simpler and less susceptible to fraud.

Job seeker's allowances: The present convoluted system for supporting the unemployed includes two entirely separate benefits — income support and unemployment benefit — and two quite separate bureaucracies for delivering them — the Employment Service and the Benefits Agency, employing between them no fewer than 44,000 civil servants to do the job.

We intend to cut through this bureaucratic maze by introducing, from April 1996, a single benefit for the unemployed — the job seeker's allowance. This will align rates and rules and reduce the contributory element of the benefit from 12 to six months. But it will also build on the success of the Restart programme, introduced in the 1980s, by drawing a much closer link between the receipt of benefit and the claimant's demonstrated willingness to look for work. And it will be reinforced by a strengthening of Restart itself; by an extension of community action places; and by the introduction of pilot schemes offering intensive guidance, assessment and a financial incentive to long-term unemployed people who need it most.

Family credit: The House will be aware of the rising level of concern about the causes, consequences and costs of the growth of lone parenthood in this country. There are many lone parents — and married mothers as well — who have no desire to remain trapped in poverty or dependent on benefits, but who believe that they have no choice. As a result of the cost of childcare, they simply cannot afford to go out to work.

That cannot be right. The government has therefore decided to introduce next autumn a new allowance available to all those on family credit who need to pay for childcare. This will be worth up to £28 each week per family and it should help tens of thousands of mothers to get back into work and off income support. I am sure it will be warmly welcomed by all those who want to see the poorest parents back on the road to financial independence.

Statutory sick pay: At the moment, employees who go sick and meet the qualifying conditions are entitled to receive sick pay at specified rates. After the first three days of sickness, their employers are entitled to reimbursement from the government for 80 per cent of the cost. We have no plans to reduce the sick pay entitlements of emloyees. But, with effect from next April, we propose to stop reimbursing the cost of statutory sick pay for the largest employers.

For smaller companies, the current special exemptions will be extended. At present, those with National Insurance bills of less than £16,000 a year are fully reimbursed after the first six weeks of each statutory sick pay claim. I propose to increase that threshold to £20,000, to bring more companies into the scheme, and to provide full reimbursement after only four weeks. Two-thirds of all employers will therefore continue to get help.

Employers' national insurance contributions: The transfer of these costs from the taxpayer to business will reduce public spending by around £700 million a year over the next three years. But to ensure that business as a whole does not lose, the social security secretary [Peter Lilley] and I have decided to reduce the main rate of employers' National Insurance contributions by 0.2 per cent from next April. This means that for well-managed companies with low sickness rates there will be a net reduction in the cost of employing people. Other companies will have a much sharper incentive to improve their management of sick leave and to take a greater interest in the health of their employees.

But with unemployment in Britain still far too high, it is vital that we do everything we can to reduce the cost of providing employment … I have therefore decided that, even in a year of acute fiscal stringency, we can and should go further. Long-term unemployed people are most likely to find unskilled and semi-skilled work at the lower end of the pay scale. To improve companies' incentives and ability to provide that kind of job, I propose, again from next April, to reduce each of the lower rates of employers' National Insurance contributions by one full percentage point. Overall, the reductions in National Insurance contributions I have announced will reduce the cost to employers … by £830 million next year, rising to £1 billion by 1996-7, well above the overall cost to employers of the reform to statutory sick pay.

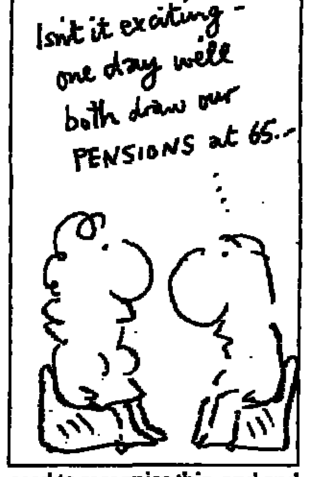
In our discussions within the European Union, the prime minister and I have repeatedly made clear our view that the surest route to higher employment is not the dirigisme of the social chapter, but measures to reduce the cost of creating jobs. This is the message we will be taking with us to the European Council in Brussels next week.

Invalidity benefit: For those who are disabled and incapable of work, invalidity benefit is important and necessary. But the astonishing growth in the numbers receiving the benefit in recent years indicates that it is now being claimed by many people who are not genuine invalids.

The government has decided to make a number of changes to the benefit, which will refocus it for the future on those who are genuinely incapable of work. Mr Lilley proposes to introduce a new benefit — incapacity benefit [from April 1995] — to replace sickness and invalidity benefit. The new benefit will involve a tighter and more objective medical test.

State pension age: The government has decided that the state pension age should eventually be equalised at 65. The change will be phased in over ten years, starting in the year 2010, so it will not effect anyone currently aged 44 or older.

All developed countries are making similar changes for similar reasons. Women nowadays tend to spend more of their lives in paid employment. They also live longer than men. Pension schemes need to recognise this, and end the current discrimination between the sexes.



Next century the ratio of working people to retired will fall sharply and the burden on taxpayers will rise. The government's decision will moderate those burdens, eventually by some £5 billion a year. The basic pension is, and will remain, a cornerstone of the welfare state.

The proposals I have announced today will in themselves save some £2.5 billion a year by 1996-7. Nevertheless, even taking these savings into account, we will still be spending £5 billion more on social security in that year than we planned last year. The social security budget will continue to grow in real terms, but at a more affordable rate than we have seen in recent years. At the same time, we have honoured our manifesto commitments, we have fully protected the real value of pensions and benefits, and provided generous help with fuel bills.

These are not short-term measures to deal with today's problems. This government has the courage to take a clear and far-sighted view of the modern social security system. We must make sure that it is a system that future generations will be able to afford. This government will never take part in any attempt to dismantle the welfare state …

Other programmes

Local authorities: Growth in total standard spending in England, adjusted for changes in responsibilities, will be limited to 2.3 per cent next year. There will in addition be extra provision for community care. The government will continue to use its powers to cap excessive spending by local authorities where that is necessary to protect the local taxpayer.

Housing: Here too savings have been made on last year's plans. Nevertheless, the new plans for social housing provide for more than 153,000 new homes over the three years to 1994-5, fully meeting our manifesto commitment. In addition, the government will press ahead with plans to improve value for money in the housing association sector and to introduce more private finance into the development of social housing.

Transport: British Rail's and London Transport's investment programmes will be maintained at levels substantially higher than in the 1980s.

But to make room for this continuing investment in public transport there will be modest reductions in the previous planned provision for the roads programme. In the last five years, real expenditure on roads has grown on average by more than 10 per cent a year. With construction prices next year over 25 per cent lower than when the roads programme was announced in 1989, the new plans will sustain the recent improvements in our roads network — at less cost to the taxpayer.

Defence

In the next two years, spending will be some £250 million and £500 million lower than previously planned. In 1996-7, will be about the same in cash terms as in the previous year.

The new plans will be delivered in part by lower procurement and employment costs, and through the planned sale to a private sector housing trust of married quarters for service personnel.

In addition, the defence secretary [Malcolm Rifkind] has set in hand a major review of all aspects of support, right back to the headquarters in Whitehall. Savings can and will be made without affecting our foreign policy commitments.

Priority programmes

The new method of controlling the total of public spending has brought big improvements in the system of cabinet government. The cabinet decides its priorities collectively and brings to the House a single package that reflects our key policy objectives. Savings identified in a number of programmes have allowed the government to meet in full the priorities and promises set out in our manifesto.

Health

Even in a very tough year, we have decided to increase once again the level of real resources going into the health service. NHS spending will be over £1.5 billion higher next year in cash terms and over 1.5 per cent higher in real terms than this year's plans. Indeed, the programme is set to rise in real terms in each of the next three years.

To ensure that these very substantial extra resources are translated into more and better health care, the Secretary of State for Health [Virginia Bottomley] will be insisting on substantial increases in efficiency and firm containment of pay and the drugs budget. The NHS will be able to maintain the steady improvement of recent years in treating more patients, better.

Education

Increased educational opportunities and better standards are an essential investment in the future. Over the next two years, we will therefore be adding more than £1 billion to the plans for the education programme. This will ensure record levels of participation in further and higher education. Our manifesto predicted that one in three young people would be in full-time higher education by the year 2000. With seven years to go we have virtually reached the target already.

But with a third of our young people now going to university, the ordinary taxpayer cannot be expected to pay for all their costs. Tuition is free; but why should the bus driver or the pensioner also pay higher taxes to finance the living costs of tomorrow's lawyers? I am glad to say that the

Continued on page 17

'We cannot sit by, simply hoping that faster growth and forecasting changes will come to our rescue'

The Chancellor's speech: government spending plans

Tough steps to control public sector pay

Continued from page 16
recent explosion in student numbers has revealed as ridiculous the fears that the student loan scheme might deter students from poorer families. The education secretary [John Patten] will therefore be bringing forward proposals to reduce the level of the means-tested grant for student maintenance and replace it with an expanded loan entitlement for students. Even taking this into account, spending on education will still be no less than £1.5 billion higher in 1996-7 than this year.

Employment, training and science

The Secretary of State for Employment [David Hunt] plans to introduce a new apprenticeship scheme. This will provide a major boost to work-based training and increase substantially the number of young people obtaining the technical and craft skills which the economy has been lacking, as both employers and trades unions agree. There will also be an increase in training opportunities for the adult unemployed.

The plans fully protect the real value of spending on basic science and technology next year.

Home Office

Finally, the vital area of criminal justice. Previous plans for Home Office spending will be maintained in full. Next year, spending on the police service will increase by over 4 per cent. And, over time, the management reforms and reduction in paperwork announced the Home Secretary [Michael Howard], could put over 5,000 more police officers on frontline duty. A re-ordering of priorities will also allow for extra provision to be made for more prison places and for victim support. Efficiency improvements will meet in full the costs of new policies, including the proposals to deal with juvenile offenders.

Capital and private finance

Spending on health, education, training and science contributes significantly to the long-term economic performance of the economy, by improving the nation's stock of human capital — the health, knowledge and skills of the population as a whole.

Important as it is, this contribution is very difficult to quantify. This year, however, as promised last autumn, the public sector accounts will identify separately the amount the government plans to spend on physical capital projects, including improvements in the nation's infrastructure.

Overall, the new plans provide for total public sector capital spending over the next three years of around £22 billion a year. But just as that figure takes no account of the massive investment programmes of the former nationalised industries which are now thriving in the private sector, so too it ignores the very large amount of investment which is stimulated by government policies, including investment in housing and urban regeneration. On top of this, the private finanance initiative is now adding to spending in areas for which the public sector has traditionally taken responsibility.

To make a success of this intiative — and to deliver the increase in capital spending with the public services that I want to see — will require a complete change of culture within government, together with imagination and innovation on the part of the private sector. This cannot be expected to happen overnight. Even so the flow of private finance projects to date has still, in my view, been disappointingly small.

To speed the process up, I have already announced the establishment of a working group chaired by Sir Alastair Morton, who I am sure can be expected to work alongside me as a veritable warrior in this cause. In the meantime the government is today giving the go-ahead to three substantial new transport projects.

First, the extension of the Docklands Light Railway to Lewisham. Second, a new air traffic control centre for Scotland. Third, the refurbishment of the West Coast main line, one of our most important routes, linking some of the biggest cities in the country — London, Birmingham, Manchester, Liverpool and Glasgow.

The private finance initiative also offers major opportunities for improved services in the NHS. There are almost 40 NHS projects where private finance is already involved or being considered, ranging from cardiac units to hospital car parks. At Aintree in Liverpool, a scheme involving the construction of a 100-bed patient hotel, four operating theatres and other facilities is going ahead — a model for other private finance projects.

In addition, the home secretary will be taking forward proposals to finance and build six new prisons using private finance. He has already announced that he also intends to involve the private sector in the provision of secure training centres.

DENZIL McNEELANCE

Norman Lamont, the former Chancellor, in an ITN studio from where he was giving his reaction

Motorway charges

Finally, I have always made clear my view that roads provided a major opportunity for private finance. The Secretary of State for Transport [John MacGregor] will be informing the House shortly about the government's plans for taking forward motorway charging in the light of responses to his green paper. But I can announce today that, when the technology is ready, we intend to introduce a system of electronic motorway charging in this country. This will be a massive high-technology project in its own right.

In the meantime, the government plans to introduce new contracts under which the private sector will design, build, finance and operate roads. Mr MacGregor will hold discussions with the construction industry and others to identify the best road schemes to start with. Bringing private finance and management into the roads programme offers the prospect of substantial benefits for the construction industry, the motorist and the taxpayer alike. I am sure this will be warmly welcomed.

Government accounting

Government accounting for public spending has become archaic. In my view, the time has come to move to a system of accounting which identifies more clearly the cost of resources. This will put departments onto a similar accounting basis to commercial organisations and many other parts of the public sector.

Spending summary

The new spending plans reflect the carefully chosen priorities of an enlightened and responsible government. We have taken strong measures to keep public sector pay and administration costs under tight control. We have taken a number of crucial steps to restrain the growth in social security spending, while fully meeting our commitments to the poorest members of society.

We have increased resources to support the government's priorities, particularly health, education and training and science. We have protected spending on law and order. We have injected new momentum into the private finance initiative. And we have honoured all our manifesto commitments.

But most important of all, we have managed this substantial re-allocation of resources without breaching the spending ceilings agreed by cabinet last June. This significant achievement owes a great deal to the new arrangements for the public expenditure survey introduced last year by Mr Lamont. But a great deal of credit is also due to my colleagues on the cabinet's EDX committee, and particularly to the chief secretary, to whose skill and tenacity I should like to pay the warmest possible tribute.

Taxation

My task is simple. I need to raise revenue, but to do so in a way which does least damage to the economy.

Loopholes: At a time when taxes are having to go up, it is particularly important to collect all the tax which is properly due. So let me begin with my proposals to counter tax avoidance.

My Budget today contains a particularly good crop of new proposals to combat tax avoidance, starting with an end to the ploy under which salaries are paid in gold bars, coffee beans, cowrie shells, or other exotic payments in kind, simply to avoid national insurance contributions and delay paying tax. I also intend to counter the abuse of the tax relief for profit related pay; tackle the avoidance of stamp duty on property transactions; halt the use of shell companies to avoid payment of tax; and end the use of indexation to create or increase capital gains tax losses.

These measures will yield about £2 billion in the next three years. Claims that more might be found in this way are, I regret to say, much exaggerated.

Extending the tax base: Next, I propose to broaden the tax base. I have never disguised my personal view that the coverage of value-added tax in this country is too narrow. Under the EC's sixth VAT directive there are serious limits on the government's ability to extend it to things which are exempt. But we do have the freedom to introduce separate taxes, and that is what other European countries do. I propose to follow their example — in two particular areas, which I believe are well-suited to this country.

Air passenger duty: First, air travel is under-taxed compared to other sectors of the economy. It benefits not only from a zero rate of VAT; in addition, the fuel used in international air travel, and nearly all domestic flights, is entirely free of tax. A number of countries have already addressed this anomaly.

I propose to levy a small duty on all air passengers from United Kingdom airports. This will be set at £5 for departures to anywhere in the UK and the European Union; and £10 for departures to other destinations. The new duty will come into force next October, and will raise some £330 million in a full year. There will be exemptions for transfer passengers and small planes. This means, for example, that most flights between Scottish islands will not bear tax.

Insurance premium tax: Second, we have always tended to tax financial services in this country much more lightly than other sectors, including manufacturing. In this Budget, I have decided to tackle one sector of this industry which is exempt from VAT. Virtually every other member state charges an *ad valorem* tax on insurance premiums. I propose now to do the same.

The rate will be 3 per cent, among the lowest in Europe, and the tax will apply to most general insurance of risks located in the United Kingdom. It will come into force next October, and will raise over £750 million in a full year.

To avoid driving business offshore, I propose to exempt the re-insurance of risk, and the insurance of most ships, aircraft and international transit goods. To avoid taxing exports, I propose to exempt export credit. And to avoid taxing savings, I shall exempt long-term insurance such as life assurance, including assurance for endowment mortgages.

For the typical family with motor, home contents and building insurance, this tax will cost about 35p a week.

Income tax

First, I propose to freeze again the personal allowance for income tax, the threshold for higher rate tax and the income limit for the age-related allowances. I do not propose to change the inheritance tax threshold or the exempt amount for capital gains tax; or the lower, basic or higher rates of income tax. The 20p lower band will be extended by a further £500 next year as planned to £3,000.

I intend to raise one allowance which has been frozen for the last four years — the blind person's allowance. This will rise next April from £1,080 to £1,200.

These proposals will yield £550 million in 1994-5, relative to an indexed base, rising to £720 million in 1995-6.

Married couple's allowance: Now that husbands and wives are taxed independently, the married couple's allowance is a bit of an anomaly. As announced in March, from next April it will be limited to 20 per cent. Given the need to raise extra revenue, I propose to reduce the rate of relief further, to 15 per cent from April, 1995.

This will yield £830 million in 1995-6, rising to over £1 billion in a full year.

Mortgage interest relief: I propose to take a similar approach to mortgage interest relief. As the House is aware, the rate of mortgage interest relief will fall from 25 to 20 per cent in April. From April 1995, I propose to reduce it further, to 15 per cent, raising an additional £950 million in 1995-6. For those with mortgages of £30,000 or more, this will cost around £10 a month. This is a tiny fraction of the benefit borrowers are still receiving from the very substantial reduction in mortgage rates in the last three years.

The limit on loans qualifying for mortgage interest relief will remain at £30,000.

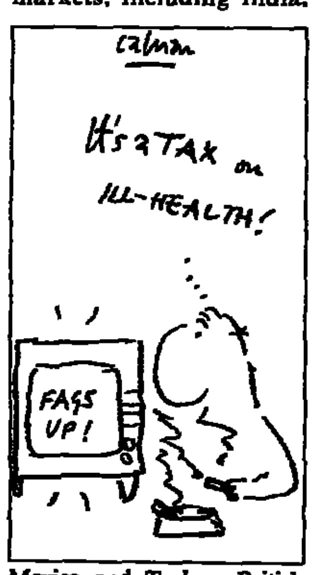
Business taxation

The tax increases I have announced will enable me to give some modest help to businesses.

Corporation tax: There will be no change to the main rate of corporation tax, which remains the lowest in the European Union, or to the small companies' rate. But I propose to raise the profits limit for smaller companies by 20 per cent. This will reduce corporation tax bills for 30,000 companies.

Foreign income dividend scheme: To help reinforce Britain's place as Europe's most attractive location for international business, I shall implement proposals to make surplus advance corporation tax repayable on dividends paid out of profits earned abroad by companies based in the United Kingdom.

Export credit: For exporters, I propose to make an extra £200 million of export credit cover available in 1996-7, and to cut export credit premiums for certain important developing markets, including India, Mexico and Turkey. British exporters of capital goods have been very successful in winning orders over the last year, particularly outside Europe. The President of the Board of Trade [Michael Heseltine] and I want to see that continue.



Uniform business rates: The business rates poundage increase next year, based on the 1.8 per cent September retail prices index, will be the lowest since introduction of the uniform business rate. For properties in England and Wales still protected by transitional relief, I propose to cut the maximum real increase in rate bills next year by a half, to 10 per cent for larger properties and 7.5 per cent for smaller properties. Small properties which are used for both domestic and business purposes — the shop where the owner lives at the back — will face no real increase at all. Separate arrangements will be made in Scotland and Northern Ireland.

This will bring significant relief next year to over 600,000 business properties throughout the UK. It will cost a little over £100 million next year.

Small business

But my particular priority this year has been to help small businesses. In my opinion, the biggest contribution any Chancellor can make to reducing unemployment over the medium term is to ensure that the conditions are in place for new businesses to become established and for small businesses to grow. As a country, we generate plenty of budding entrepreneurs and any number of good inventions and ideas. Yet all too often those ideas stay on the drawing board as money is channelled instead into the safer larger companies.

My proposals seek to address three separate problems facing small businesses today: the burden of regulation; the shortage of external finance; and cashflow.

Deregulation: I can announce today four contributions to the prime minister's campaign to turn the tide of excessive regulation which threatens to engulf our smaller firms:

Simplified assessing — First, the finance bill will include the intitial tranche of legislation to implement the plans announced in March to reform the current regime for assessing personal tax. The new system will be simpler and more efficient. The changes will be of particular benefit to the self-employed.

Income tax and national insurance contributions — Second, the Secretary of State for Social Security published last month the report of the working group set up to consider the options for aligning income tax and national insurance contributions. Mr Lilley and I agree with the group's conclusion that there are significant savings to be had from using the same definitions, same paperwork and same audits for income tax and national insurance. We are now looking at the group's main recommendations and will be bringing forward proposals early next year.

VAT threshold — Third, VAT. Firms are currently required to register for VAT when their turnover reaches £37,600 a year. I intend to raise this to £45,000 with effect from tomorrow. This will allow up to 75,000 more traders to opt out of VAT altogether.

Statutory audit — Finally, the statutory audit. The Companies Act requires all companies to have their accounts audited. But for the smallest companies the expense can be out of all proportion to the benefit.

When I was at the Department of Trade and Industry I continually pressed for a change to this. My predecessor announced consultation in the March Budget. I can now announce the conclusions.

The President of the Board of Trade and I have decided that most companies with a turnover between £90,000 and £350,000 a year in future need only get an independent accountant's report on whether the company's accounts correctly reflect its books.

But for the 40 per cent of companies with turnover of less than £90,000, we propose to take the deregulation a step further. For these small companies, the audit requirement will be abolished altogether.

Finance for industry

But I don't just want to lighten the burden of regulation. I believe that positive steps are required to increase the flow of risk capital into small businesses.

Capital gains tax: For managers and employees to leave steady jobs and take a chance by going into business on their own, the risk must be worthwhile. At 40 per cent, our top rate of income tax is the lowest in the European Union, and I intend to keep it that way. But our capital gains tax regime still bears disproportionately on the successful entrepreneur.

In 1991 we increased the capital gains tax relief for business people who sell up on retirement, by providing a complete exemption from capital gains tax on the first £150,000 of capital gains and a half exemption on the next £450,000. I now propose to increase these limits to £250,000 and £750,000 respectively.

By rewarding those who have been successful in the

Continued on page 18

'My task is simple. I need to raise revenue, but to do so in a way which does least damage to the economy'

of his voice because the ... loved and knifed her — "So easily, it was like shaving" — which is not

JEREMY KINGSTON

The Theatre Club has arranged a special evening

Alexander Hanson and Kathryn Evans in *Love*

The Chancellor's speech: shifting the burden of taxation

Scottish MPs given cause to celebrate

Continued from page 17
past, this measure will encourage potential entrepreneurs in the future. In addition, I propose that any individual facing a capital gains charge should be able to defer the tax indefinitely by reinvesting those gains in an unquoted trading company.

Venture capital trust: I also intend to create a new type of investment, a venture capital trust, which will channel savings specifically into unquoted trading companies. Investors will receive dividends and capital gains entirely free of tax. And by investing through a trust they will also be able to spread their risk across the number of different companies. The financial secretary [Stephen Dorrell] will be issuing a consultation paper.

Enterprise investment scheme: In my view, there remains, too, a strong case for encouraging direct equity investment in unquoted trading companies. I propose to introduce a new scheme, the enterprise investment scheme, to do just that. The enterprise investement scheme will differ from the old business expansion scheme in several important respects.

To target the money where we want it to go, property-related investments will be excluded. Up-front tax relief will be limited to 20 per cent. But any losses on investments will qualify for income tax and capital gains tax relief; and all capital gains within the scheme will be entirely free of capital gains tax. The limit for investors will be £100,000 a year. Most important of all, to help those who are looking to invest their expertise as well as their money, people previously unconnected with the companies they invest in will be able to take up paid directorships.

The cost of the new scheme could eventually rise to some £50 million a year. Take together with my proposals on capital gains tax and the new venture capital trust, I believe it could generate substantial new investment in the unquoted company sector.

Late payment: Finally, I turn to the problem of small companies' cashflow. There is one issue which year after year tops the list of Budget representations made to all of us by the small business community — the problem of late payment. There can be nothing more frustrating than delivering a quality product on time at a competitive price and then finding that you don't get paid for months. Late payments wreak havoc with cashflow, and for many small firms they can make the difference between survival and failure.

The habit of late payment is corroding our business culture. I am quite sure that it needs to be dealt with.

There are many options for tackling bills, and the President of the Board of Trade and I will be looking at two in particular: first, a new British standard for payment performance; and second legislation to provide for interest on late payments. Late payment was a serious problem for small businesses throughout the last recession. The time has come to take this issue head on.


BBC
John Gummer, left, and Peter Lilley listening to the Chancellor's spending plans for their departments

Indirect taxation

The government's clear policy has always been to shift the burden of taxation, over time, from income to spending. This reflects the government's underlying political philosophy — that people should be allowed to keep as much of their own money as possible. Provided the less well-off are helped, it is fairer and less damaging to the economy to tax people on how much they consume than on the work they do.

In line with this policy, even in a very difficult year, I have been able to avoid any increase in income tax rates. But to do this I have had to raise further revenue from indirect taxation.

Road fuel duty and road tax

First, I propose a modest increase in the vehicle excise duty on cars — the tax disc — of £5 a year. The duty on lorries will be unaffected.

Second, road fuel duties. With effect from 6pm tonight, I propose to raise all the road fuel duties by 3p a litre. Even so, petrol will still cost less in the United Kingdom than in most countries in the European Union and it will be cheaper than it was in real terms in the early 80s. It is not good policy in these environmentally conscious days to keep road fuel costs so much cheaper than they used to be. Taken together, these increases will raise around £750 million next year. Bus fuel duty rebate will be held at pre-Budget levels.

In March, my predecessor announced that fuel duties would increase on average by at least 3 per cent in real terms in future Budgets, in order to restrain carbon dixoide emissions. The Secretary of State for the Environment subsequently announced in July that the government would be looking at further measures in this area to help to meet our Rio commitment.

I have now decided to strengthen the March commitment by increasing road fuel duties on average by at least 5 per cent in real terms in future Budgets.

This will complete Britain's strategy for meeting our Rio commitment. We are the first country in Europe to do this; and we have done so in a way that minimises the additional costs to industry.

Others in this country and in Europe continue to canvas unrealistic blueprints for a new European Union-wide carbon tax, which would impose massive new burdens on British industry. Any critic of the government's tax plans who claims also to support the international agreement to curb carbon dioxide emissions will be sailing dangerously near to hypocrisy.

Tobacco

Next, tobacco. With effect from 6pm tonight, the total tax on a packet of 20 cigarettes will go up by 11p — a duty increase of 7.3 per cent. The duties on other tobacco products will rise by the same proportion.

In addition, I have decided to strengthen the commitment on tobacco duties that the government has given in the past. I intend to increase tobacco duties on average by at least 3 per cent a year in real terms in future Budgets.

I believe that the approach we are adopting in Britain is the most effective way to reduce smoking. It is clearly a nonsense for some European countries to ban advertising to protect state-owned tobacco industries, but then impose markedly lower levels of tax.

Wine, beer and spirits

I have listened carefully to the arguments put by the industry about the declining consumption of beer in this country, the effect of the change to end-product duty and the growth of cross-Channel imports of beer. Taking all these factors into account I have decided that for the first time in five Budgets there will be no increase this year in the duty on beer.

Let me assure the House that this decision has nothing whatever to do with the drinking habits of the Chancellor of the Exchequer. And to prove this, I am also proposing to freeze the duty on spirits for a further year.

The spirits industry, which is a major UK export business, is facing similar problems to the brewers. I know that my proposals will be warmly welcomed by the House, and will give MPs from Scotland something to celebrate on St Andrew's Day.

For wine, sparkling wine and cider, I propose to raise the duty in line with inflation. This will add 2p to a bottle of wine. But it will not take effect until after Christmas.

Revenue

The overall effect of all the tax measures I have announced will be to raise revenue next year by a little under £1.75 billion. By 1995-6, that will rise to about £5 billion, and to £6 billion by 1996-7, about 0.75 per cent of GDP.

These sums fall a long way short of the reduction in the borrowing requirement I judge necessary. As I announced earlier, I intend with my Budget to reduce the Public Sector Borrowing Requirement next year, not by £1.75 billion, but by £5.5 billion, with a reduction by 1996-7 of £10.5 billion.

The central challenge I have faced in finalising this Budget is how this gap could be bridged. Every commentator realised that one of my options would be to extend the VAT base. The main candidates are food, children's clothes, transport, sewerage and newspapers. A powerful case for each of them can be made, and no amount of lobbying need put us off. But before looking at that, I have always made clear that my first responsibility as Chancellor is to get public expenditure under the firmest possible control.

I have already announced that the government's new spending plans fully meet the remit agreed by cabinet in June.

But when the House comes to study the Red Book it will see that the figures for the new control total in each of the next three years are different from those set out in the March Budget and the cash ceilings agreed by the cabinet in June.

The explanation for this difference is simple. The cabinet has decided to establish new spending plans which are not just consistent with the ceilings set in June. We have decided to set plans which in each of the next three years are lower than the June ceilings.

Our spending plans for the coming year have been reduced by more than £3.5 billion. The new control total for next year will be £3.5 billion below the level we set last year, and £8 billion below the plans that we first set two years ago.

And that is not all. In 1995-6 we have reduced the new control total by £1.5 billion and in 1996-7 by nearly £3 billion. Taking into account lower debt interest payments resulting from lower borrowing, I expect that, as a direct result of the Budget, total public spending over the next three years will be around £10 billion less than we assumed in March.

Including also the reduction in cyclical spending as the economy recovers, and other changes, the total reduction in public spending over the next three years compared to the March Budget projections will be no less than £15 billion.

Those public expenditure savings dramatically reduced my need to raise taxes to get the borrowing requirement down. As a result of that achievement — and only because of that — I can now confirm that I have no need this year to propose any changes to the VAT base.

Throughout the public spending round, all my cabinet colleagues understood that the essential job in this Budget was to move back towards a balanced budget. And we all understood the clear preference on this side of the House for this to be done, so far as possible, by firm control of public spending. That is what we said we would deliver. And that is what we have delivered. Because that is what is required to keep the recovery going.

Youth training to be boosted with apprenticeship plan

By Philip Bassett
Industrial Editor

■ The Youth Credits policy for training young people will be introduced early and adapted to a new apprenticeship scheme

THE government yesterday announced a "modern" apprenticeship scheme aimed at increasing technical and supervisory training — areas where Britain is judged to fall behind key economic competitors such as Germany.

But independent specialists attacked the move as little more than a superficial representation of current vocational training arrangements that would do little to improve training in Britain.

David Hunt, the employment secretary, said that Britain had to tap the potential of its young people, with the aim of reaching higher levels of achievement and skills: "That is why I plan a new approach to apprenticeship, offering young people work-based training leading to technician, supervisor and similar-level qualifications — modern apprenticeships."

Details of the scheme — which the Department of Employment estimates will cost £1.25 billion over three years, though this is not new money — are still being finalised, but the apprenticeships will be run using the current Youth Credits scheme, under which vouchers to purchase training are made available to young people through Training and Enterprise Councils (TECs).

To facilitate apprenticeships, the national availability of youth credits for all 16 and 17-year-old school leavers will be brought forward a year to 1995-6.

Announcing the scheme, Kenneth Clarke said it would provide "a major boost to work-based training and increase substantially the number of young people obtaining the technical and craft skills which the economy has been lacking".

Ministers envisage apprenticeships as contracts between employers and employees to provide training over a longer period of time, so that there is a continuing commitment to training. They accept that Britain's training of young people — especially technical and specialist training — is still well behind that of competitor countries such as Germany, where more than three-quarters of those aged between 16 and 19 go into formal apprenticeships in industry.

Ministers do not see the scheme as a return to old-style, formal apprenticeships, under which young people learnt a trade for a long period, often five years. Traditional apprenticeships were seen as a route to stable jobs, and the government's move was attacked by union leaders and opposition politicians last night as a "counterfeit" for real jobs.

Traditional apprenticeships in British industry have been in decline for many years, driven down by companies' need to reduce costs and increase flexibility.

Thirty years ago, the annual entry into industrial apprenticeships was 142,000. By spring this year the total number of apprentices was 245,000, less than double the entry numbers alone during a single year in the early 1960s, and itself sharply down on the figure for a year before, when the number of apprentices stood at 325,000.

Traditional apprenticeships are concentrated in areas such as construction and metal goods, but angry training specialists last night insisted that the government's new concept was simply an attempt by ministers to use an idea with which people were familiar to sell training provisions that were inadequate.

John Monks, TUC general secretary, said the measures were welcome but would be "wasted" unless there was faster economic growth, which on the Chancellor's own projections was unlikely.

PETER TREVNOR

Targeted: YT trainees at Windsor and Maidenhead College's motor vehicle unit

Extra help for pensioners to counter fuel tax

By Jill Sherman, Political Correspondent

THE Chancellor yesterday confounded expectations by announcing a generous compensation package for putting VAT on fuel that will help all pensioners.

More than 15 million people will benefit from the extra help, which will cost the government more than £2.4 billion over the next three years, nearly half the income the Chancellor expects to raise from the tax. Kenneth Clarke also announced that cold weather payments would go up by £6 to £7 a week from next winter, rising to £7.50 the following year.

Despite pressure from some ministers to implement the VAT increase in one stage, Mr Clarke decided to hold to the original plan of imposing VAT at 8 per cent next year and 17.5 per cent the following year. He announced a £380 million compensation package next year, followed by £860 million in 1995/6 and £1.25 billion in 1996/7. This will be offset by savings of £950 million in the first year, £2.3 billion in the second and £2.85 billion in the third.

Although most help is targetted to those on means-tested benefits, Mr Clarke has bowed to pressure from Tory backbenchers to extend help to all 10 million pensioners. All pensioners, widows and the disabled will get 50p a week from next April for a single person on top of the normal uprating and 70p a week where there is a dependent spouse. In April 1995 this will be doubled to £1 for single pensioners and £1.40 for a couple. By the following year this will be extended to £1.30 and £1.85 a week respectively.

Households receiving means-tested benefits will see their payments rise by about 3.9 per cent, an additional increase over inflation of 0.4 per cent. This is the amount by which VAT on fuel will increase the 1995 uprating.

The move to bring the payment forward by a year will ensure that extra help is given to people before they receive their fuel bills. A similar formula will be applied the following year. In April 1996 the extra payment will be a permanent addition to benefit levels. Pensioner couples on income support will get a total increase in benefit of £4 a week.

Mr Clarke's announcement is expected to see off any Tory revolt on VAT on fuel, although Labour still intends to propose an amendment to the finance bill asking for measures to be repealed. The Chancellor made clear that the extra help was a break from the government's policy since 1980 by increasing pensions strictly in line with the retail price index. "It must be regarded as wholly exceptional and it cannot be repeated whenever a particular tax or price increase is opposed on the grounds that retired people should not pay it," he said.

Employee loans to be tax-exempt

THE Budget introduces a number of measures to change the tax treatment of cheap and interest-free loans provided by employers to their staff. Cheap or interest-free loans under £5,000 made by employers will be exempt from tax from April. At present such loans, often used to buy travel season tickets, are taxable as a benefit in kind for anyone earning more than £8,500 a year.

New measures are also to be introduced to ensure that employees receiving loans to buy a house get tax relief on them in the same way as other borrowers. Employees will be taxed as if they had been given the equivalent amount of cash instead of a cheap or interest-free loan and given tax relief for the interest they would have paid.

Loans made to employees on commercial terms by employers such as banks who lend to the general public as part of their business will also be exempt from tax.

A new lower "official rate" of interest for taxing employer-provided loans in a foreign currency where interest rates in that country are lower than in Britain will also be set by the Treasury from next year.

Exporters offered 'tin-pot' support

By Colin Narbrough, World Trade Correspondent

SCANT support was offered in the Budget for exporters, despite the risk to growth the Chancellor identified in the weak state of Britain's main trading partners in continental Europe.

The £200 million increase Kenneth Clarke announced in cover provided by the government's Export Credits Guarantee Department (ECGD) for fiscal 1996-97 will form part of a rolling programme of annual rises. It will take cover for the so-called "amber zone" markets from the present £2.7 billion to £3.2 billion. Amber designates regions of significant risk, or those where ECGD exposure is greatest.

A senior executive for a leading private sector credit insurer said the amounts by which export credit cover was being raised were "tin-pot" given the market potential in the target countries.

Accompanying the Budget, Michael Heseltine, the trade secretary, announced substantial cuts in ECGD premiums, some over 20 per cent, in cover for Argentina, India, Mexico, Poland, Slovakia and Turkey. The reductions will run for 18 months from today.

The extra cover Mr Clarke promised for 1996-97 and the premium reductions are in line with government efforts to encourage British exporters into markets where the prospects of growth are better than in western Europe.

Mr Heseltine said the measures would help to improve British competitiveness and underlined the government's commitment "to maintain the export drive which is vital for our economic recovery".

But Ian Campbell, director general of the Institute of Export, while acknowledging that some of the measures to help small and medium sized firms could help exports, said there was otherwise "not an awful lot for exporters" in the Budget. He said it was disappointing that the Chancellor had not acted on industry proposals to use the government-backed Loan Guarantee Scheme to help smaller firms enter export markets.

Keith Johnson of the British Exporters' Association welcomed the ECGD premium reductions, which he said indicated Treasury recognition that British exporters were still paying some of the highest premiums in Europe.

Benefit change will 'cut jobless figure by 200,000'

By Our Industrial Editor

THE government's changes to unemployment benefit will take 200,000 people off the monthly jobless figures, independent unemployment analysts predicted last night.

David Hunt, the employment secretary, said that the new Jobseeker's Allowance, which will pull together the financial help at present available to the unemployed under unemployment benefit and income support, was a "major step forward". The government was helping unemployed people by moving away from the existing, old-fashioned and "very confusing" system.

Unemployment benefit, which costs £1.8 billion annually, is paid at present to all those who become unemployed and who satisfy two basic criteria of the correct national insurance contribution record and of actively seeking and being available for work.

In general, a person who loses his job will receive unemployment benefit for 12 months if he has been working continuously in the same job for more than two years, has been paying Class 1 National Insurance contributions and is capable of working and actively seeking work.

Once an entitlement to unemployment benefit has been established it is paid to those continuing to satisfy the necessary conditions. Previously it has been paid to claimants for up to a year.

The present weekly rates are £44.65 for a single person, with an additional £27.55 for adult dependants. The government announced yesterday that the rate will rise to £45.45 in April.

Those who do not qualify for unemployment benefit, including those whose entitlement has expired, may be able to claim income support, which is means-tested based on assessments of an individual's financial circumstances. Anyone with savings of more than £8,000 cannot claim income support, and anything earned above £5 a week is deducted from a claimant's payments.

About 18 per cent of unemployed men and about 27 per cent of unemployed women claim unemployment benefit. Income support claimants are far more numerous — almost two-thirds of unemployed and 52 per cent of unemployed women men claim it.

The new job seeker's allowance will be a contribution-related benefit that will be paid for for six rather than twelve months. The unemployed will then move on to income support.

Mr Hunt said that the allowance scheme "makes clearer the link between looking for work and receiving benefit". The independent Unemployment Unit, however, said that the effect of the measure would be to lower the unemployment figure by 200,000.

Paul Convery of the unit said that many unemployed people would lose their benefit, at a saving to the government of up to £473 million annually, and would be removed from the count because their savings, or the level of their spouse's earnings, would disqualify them from claiming income support.

Mr Convery said that within six months of the job seeker's allowance being implemented, the official unemployment rate would drop from 10.2 to 9.5 per cent without any change in the real number of people in work.

John Monks, general secretary of the Trades Union Congress, described the change as a "clumsy marketing ploy which cannot camouflage the halving of the unemployment benefit and the lack of jobs in the economy".

The employment department last night denied that the move would have the effect on the count suggested by the Unemployment Unit. Although the department could not estimate the likely effects of the change on the unemployment count, it insisted that those no longer claiming benefits would remain registered as unemployed for the purpose of claiming national insurance credits.

Women face five more years of hard labour

BY SARA MCCONNELL
PERSONAL FINANCE CORRESPONDENT

PENSIONS

WOMEN under 44 will have to work five years longer before they qualify for a state pension, the Chancellor announced. The government has finally taken the plunge and decided to raise the state pension age for everyone to 65.

The change will be phased in over 10 years, starting in the year 2010. At the moment, women start receiving a full pension at 60, if they have put in sufficient national insurance contributions, while men have to wait until they are 65.

Explaining the change, Mr Clarke said: "All developed countries are making similar changes for similar reasons. Women nowadays tend to spend more of their lives in paid employment. They also live longer than men. Pension schemes need to recognise this and end the current discrimination between the sexes."

The change will save £4 billion a year by 2035 at 1993 prices. The option of reducing the pension age for everyone to 60 was rejected by the government because it would cost £4 billion a year in lost contributions to the national insurance fund, coupled with five years' extra pension payouts. This would place a considerable strain on the fund, out of which state pensions are paid, as the ratio of pensioners to workers increased. The ratio is expected to peak in 2020 when there will be 2.4 workers to every pensioner, compared with 3.4 now.

Contributions to the fund are not invested but are used immediately to pay the pensions of those already retired. The government also rejected the option of a universal retirement age of 63 and another of a "flexible decade" of retirement between 60 and 70. The cost of this would have been broadly neutral but ministers feared most people would opt to retire at 60.

It is almost exactly two years since the government issued a consultative document, *Options for Equality in State Pension Age*, outlining the options for equalising state pension ages. It had come under increasing pressure to do this since a judgment, *Barber v Guardian Royal Exchange* in the European Court of Justice in May 1990, ruled that company pensions were part of pay and should offer equal retirement ages and benefits.

Although the ruling did not apply directly to state pensions, benefits from company pension schemes are generally designed to fit in with state pension payments. Companies have been pressurising the government for the last three years to make a decision on an equal retirement age so they can bring their schemes into line with the Barber requirements.

The majority of companies which have equalised retirement ages have done so at 65. According to the National Association of Pension Funds, 59 per cent have equalised at 65 while only 28 per cent have equalised at 60.

☐ **Inheritance tax:** The Exchequer will raise an extra £10 million in the coming financial year by freezing the threshold for inheritance tax at £150,000, instead of increasing it in line with inflation. (Patricia Tehan writes).

If the threshold had been linked to inflation it would have increased to £153,000. The Chancellor said that as a result, the extra yield to the Exchequer would be £20 million in 1995-6 and £25 million the following year. Since the tax was introduced in 1986 the threshold has increased by more than twice the increase in the Retail Prices Index.

The Chancellor also plans to increase the period for replacing lifetime gifts of property qualifying for business or agricultural relief from one to three years, in line with capital gains tax relief.

ROBIN MAYES

A cooker heats the ground-floor rooms that Edith Wilkinson, 87, is confined to with her dog Bobby. After paying her food and household bills, she has only £6 a week to spend

'I cried when I heard of VAT on our fuel bills'

BY KATE ALDERSON

OLD AND COLD

EDITH Wilkinson sleeps on a lumpy sofa each night, wrapped in a single blanket, warmed by the heat of the gas cooker in the adjoining kitchen. She is nearly 90, partially crippled by arthritis, and lives on £67.55 a week. After paying for gas, electricity, food and rent, she has only £6 a week to spend.

She has all but abandoned the upstairs room in her house in Camden, north London, which she cannot afford to heat properly. She is fiercely independent and unaware that she is eligible to apply for rebates on her fuel bills during prolonged bad weather. Mrs Wilkinson, who was widowed 20 years ago, said: "I don't like to moan, but I have to admit I had a little cry to myself when I heard the government was putting VAT on our fuel bills. What have we done to deserve this?"

A few hundred pounds in the bank had convinced Mrs Wilkinson, who was a laundry manager, that she would not be able to claim additional help from the government. She worries that "someone" may come to her house and reprimand her for using the cooker for heating.

In spite of being virtually incapable of getting upstairs — she no longer uses the bathroom as it is at the top of a steep staircase — Mrs Wilkinson's only regular visitor is a neighbour who does her shopping and puts drops into one eye that is blind.

She walks with a stick because of a succession of falls which damaged her foot. After her last accident and a short stay in hospital she was offered a home help, which she refused but now acknowledges she needs. "I like to do things for myself. When I came out of hospital I just wanted to be normal again, to get on with my life. I soon realised I couldn't do everything and asked for a home help, but I haven't heard anything from the social services."

One of Mrs Wilkinson's sons lives in Worcester, another in South Africa. "I last heard from him ten years ago when he telephoned me, but I don't know where he is any more or if he is dead or alive."

As an old woman living alone, she used to fear only violent crime. Now she fears a long cold winter and a huge gas bill.

Mortgage rise for millions

BY SARA MCCONNELL

MORE than 5 million borrowers with a mortgage of £30,000 or more will pay an extra £10 a month in mortgage payments from April 1995.

A further five million will pay between £1.70 and £9.20 more. Tax relief on mortgage interest is to be further restricted to 15 per cent. This increase in mortgage payments comes on top of the £10 a month borrowers will have to find following the announcement in March that the relief would be restricted to 20 per cent from April 1994.

The loan ceiling for mortgage interest relief at source (Miras) remains at £30,000 for 1994-5 and 1995-6. The restriction of relief will yield £970 million in 1995-6.

The Chancellor said the extra cost to borrowers would be "a tiny fraction of the benefit borrowers are still receiving from the very substantial reduction in mortgage rates in the last three years." A borrower will face an average mortgage of £33,000 is now paying some £160 a month less in interest payments than in October 1990 when rates were more than 15 per cent.

The Halifax, the largest lender, yesterday described the Chancellor's decision to restrict tax relief on mortgage interest to 15 per cent from April 1995 as "regrettable but not unexpected". The move should not be a serious setback for the housing market, it said.

Over-65s to receive new granny bonds

BY ROBERT MILLER

SAVINGS

THE introduction of a new National Savings Pensioners' Guaranteed Income Bond for savers aged 65 and over is seen as a quite deliberate attempt to placate at least one segment of the population which will be among the most vulnerable to the imposition of VAT on fuel next April. The Chancellor admitted as much in his speech.

In a series of pre-budget meetings ministers decided that women will have to wait until they are 65 to be able to invest in the new NS bond which will pay regular monthly income at fixed rates guaranteed for five years. This is because they have been advised that to differentiate between the sexes on grounds of age would fall foul of the Sex Discrimination Act 1975.

But even if the target audience of the new Bond, which is expected to be available from January, views this blatant attempt at wooing them with a certain amount of cynicism the Chancellor can still console himself that it will make an additional contribution to the Public Sector Borrowing Requirement. In the first seven months of this financial year the government's savings arm has contributed £1.7 billion to the PSBR compared with £3.2 billion in the same period last year. In the last financial year NS contributed £4.4 billion towards the government's borrowing requirements. This year's figure is expected to be broadly in line.

In announcing the Pensioners' Guaranteed Income Bond and in saying that the rates of interest would be "competitive" the Chancellor has obviously kept a weather eye cocked in the direction of the building societies. Societies, and to a lesser extent banks, have learnt to live with the ever-brooding presence of National Savings.

But as Kenneth Clarke's predecessor, Norman Lamont, found to his cost when he launched the First Option Bond last year if societies feel that they have been positively disadvantaged they act. First Option Bond was launched in July last year paying interest of 7.75 per cent net of basic rate tax. This was guaranteed for a year. Balances of £20,000 or more — up to a maximum of £250,000 — earned an additional bonus, raising the net guaranteed interest to 8.05 per cent.

Initially building societies reacted angrily claiming that First Option Bond tilted the savings balance in favour of National Savings. Within three weeks of its launch, and after the Cheltenham & Gloucester Building Society had raised its mortgage rates in protest, the interest rates on the NS bond were promptly cut. Then, in September the First Option Bond was withdrawn completely until October 5. But its reappearance was short-lived and in November it was withdrawn yet again and did not appear until March this year. In spite of its on/off existence First Option Bond has been a powerful puller of funds. In its first three weeks of existence it pulled in £299 million. This June it reached £940 million.

What is uncertain is how this new Bond will affect the popular National Savings Income Bonds. Adrian Coles, the director general of the Building Societies Association, said: "Aiming at the over 65s is exactly how the original Granny Bonds started before they became more generally available to savers as Index-Linked Certificates. National Savings already has a very comprehensive range of accounts so I am surprised at this new addition. Still the Government does have a huge borrowing requirement."

Scores shot as intifada returns to Gaza Strip

■ Any remaining goodwill towards the peace accord in Gaza has evaporated. PLO leaders have appealed to Yassir Arafat to suspend his talks with Israel

BY RICHARD BEESTON IN GAZA AND OUR FOREIGN STAFF

THE Palestinian intifada returned with a vengeance to the slums of the Gaza Strip yesterday, erasing the last remnants of goodwill left by the peace accord between Israel and the Palestine Liberation Organisation.

Hundreds of Israeli soldiers fought running street battles with Palestinian youths in the squalid refugee camps. At least 66 Palestinians received gunshot wounds. Three foreign journalists were also hurt at the Khan Younis refugee camp, one shot in the leg by an Israeli soldier and another beaten up in an argument with troops.

The violence overshadowed a European visit by Yitzhak Rabin, the Israeli prime minister. He said he regretted the casualties but insisted that the Israeli military reserved the right to continue its suppression of Palestinian opponents, even though the strip is supposed to be handed over to Palestinian self-rule in less than two weeks.

After talks with President Mitterrand of France in Paris, Mr Rabin said that violence was turning an increasing number of Palestinians and Israelis against the peace accord, but he would pursue his peace policy. Starting a six-nation European tour to seek European Community aid for the Palestinian territories and better trade terms for Israel, Mr Rabin was asked whether he regretted the killing by Israeli troops of a Fatah guerrilla who had surrendered and formally renounced violence.

"I would prefer that all the events of the last three days in Gaza would not have happened, and we will make a real effort to prevent their repetition," Mr Rabin said. "You have to have the co-operation of the two sides to establish security for all the people in the Gaza Strip and elsewhere." He blamed some of the violence on Damascus-based opponents of the September 13 peace accord.

The intensity of yesterday's clashes was largely due to Israeli military operations. Two senior members of Hamas, the Islamic resistance movement, were killed by Israeli security forces last week. More recently members of Fatah, the mainstream PLO group loyal to Yassir Arafat, have also been targeted. The leader of the organisation's military wing, the Fatah Hawks, was arrested on Monday in a security operation mounted in the Rafah refugee camp on the Egyptian border.

Yesterday the organisation's leadership in Gaza called on Mr Arafat to suspend his negotiations with Israel and instructed its members to intensify their attacks on Israeli security forces.

Meanwhile the effects of Israel's crackdown were visible on the dusty streets of Gaza. Shops and businesses were closed in a protest strike and a pall of black smoke hung over the area from tyres burning at a series of roadblocks manned by youths.

The widespread loss of faith in the peace accord, which was greeted with jubilant flag-waving street parties less than three months ago, was most palpable in Gaza's hospitals where the victims were being ferried in for treatment.

"I supported the peace deal before I was shot today. The way I saw that soldier shooting at me I can never believe there will be peace with the Israelis," said Ahmad Al-Azizi, 19, a Fatah supporter recovering at the Shifah Hospital from a shot in the back. "The Israelis don't want peace. They are laughing at us."

Like many members of Fatah he was incensed by the shooting of Ahmad Abu Rich, who was killed by an Israeli undercover army unit apparently by accident, a week after he had turned himself in to the Israeli authorities as part of an amnesty.

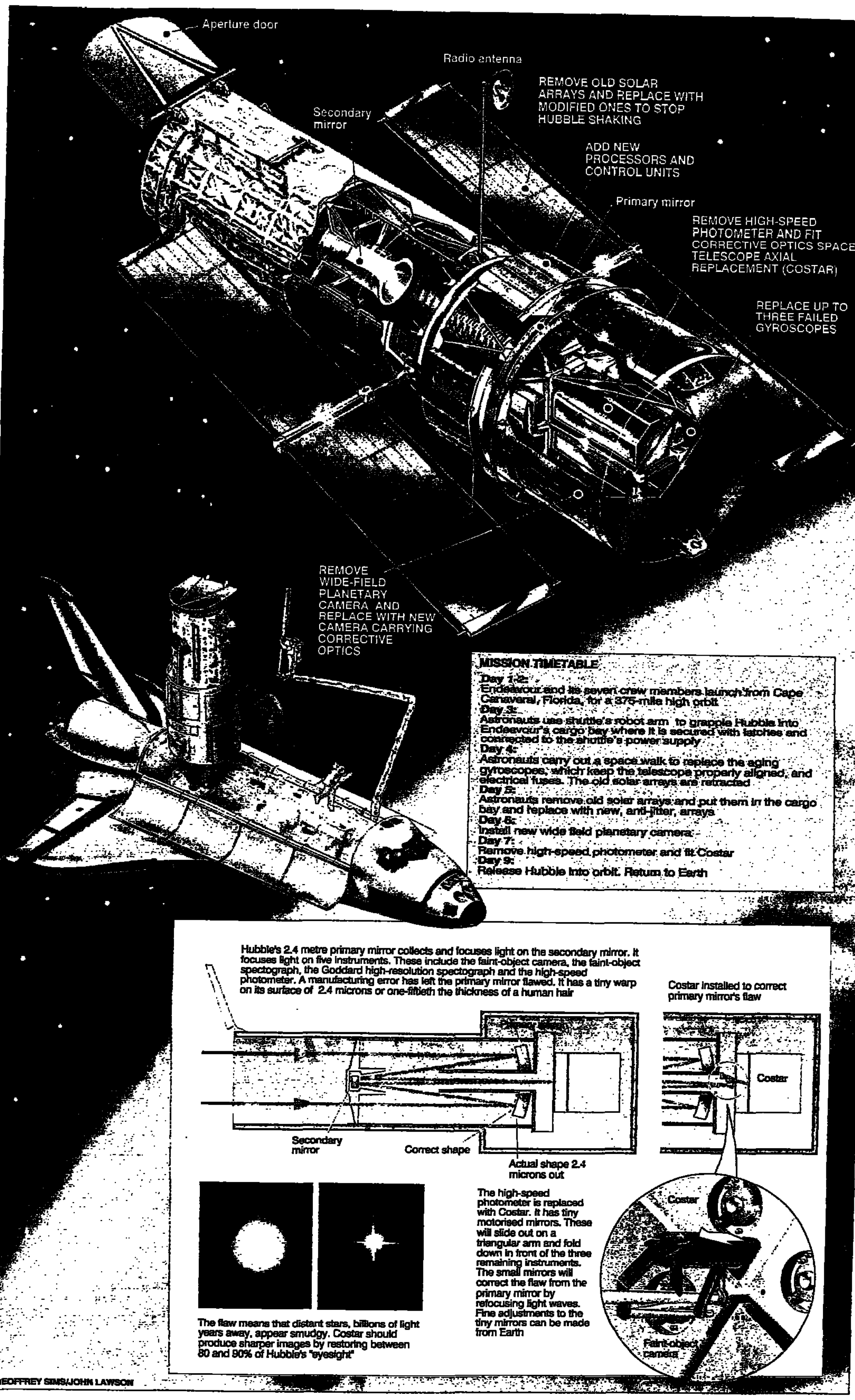
In Jerusalem, Teddy Kollek, 82, resigned last night from the city council, three weeks after he was defeated in elections for mayor, a job he held for 28 years.

☐ **Oslo:** Johan Jorgen Holst, the Norwegian foreign minister who helped broker the Israeli-PLO peace deal in secret talks, was admitted to hospital, suffering from strain. *(Reuter)*

Rabin in Paris: defended action of Israeli troops

Leading article, page 23

Shuttle endeavours to cure Hubble trouble



BY NICK NUTTALL, AND NICHOLAS BOOTH AT CAPE CANAVERAL

A SPECTACULAR pre-dawn launch of the space shuttle Endeavour is planned for today on a mission to rectify flaws in the $2 billion (£1.34 billion) Hubble space telescope.

Hubble, the most expensive spacecraft ever launched, has the equivalent of myopia after it was built with a badly ground primary mirror. The associated problems have deprived astronomers of unrivalled views of stars and planets and frustrated their attempts to unravel fundamental mysteries such as the age, structure and behaviour of the universe.

The craft, whose faults came to light only after its launch in April 1990, is also suffering from the "jitters" as it plunges from searing day into cold night temperatures. The problem has been linked to the solar arrays that turn sunlight into electricity for the spacecraft. They are expanding and contracting, causing Hubble to experience the mechanical equivalent of delirium tremens. Over the 11-day, possibly 13-day, joint Nasa/European Space Agency mission astronauts plan to carry out at least five space walks to try to rectify these and other faults. The crew are under the command of Story Musgrave, 58, who gives his hobbies as scuba diving and literary criticism. Under his control the shuttle will be manoeuvred behind the 11-tonne Hubble about 375 miles above the Earth.

Once behind the space telescope, which is the size of a London double-decker bus, astronauts will try on Friday to grapple the craft into the shuttle's cargo bay. There the crew will attempt to replace the old solar arrays with new ones designed by British Aerospace Space Systems in Bristol, Avon, to counteract the jitters. An instrument called Costar, which has eight tiny motorised mirrors the size of thumb nails, will be slotted into the telescope behind the primary mirror to correct the focusing flaw.

The mission is said to be technically the most complicated ever undertaken. Kathy Thornton, a crew member, likens working in space to working upside down on your car wearing mittens while travelling at 17,000mph.

Randy Brinkley, shuttle mission director, said: "We are very tight on fuel. We only have the capability to make one one attempt at rendezvous without affecting the number of space walks."

EC targets UFOs

Brussels: The European Community has found a new target for its attention: outer-space (James Landale writes). In a move some might say goes against the principle of subsidiarity, the European parliament is set to agree today a plan to set up an EC-wide centre for the observation of unidentified flying objects.

Defiant Patten to start poll reforms tomorrow

FROM JONATHAN MIRSKY IN HONG KONG

CHRIS Patten, the governor of Hong Kong, will go before the Legislative Council here tomorrow afternoon to announce that he will begin legislating parts of the colony's constitutional future without Peking's approval. Peking says this will lead to a breakdown of all further negotiations between Britain and China.

Liberals in the colony are attacking Mr Patten for failing to bring his entire, admittedly modest, programme for increased democracy to the council, and the largest democratic party will insist that he introduce the whole plan, which Peking has denounced.

This is a crucial week in the relations between China and Britain and for many here it will show finally whether the British are going to brave Peking's wrath or whether they are involved in a deep game which will end in a sell-out to China, disguised as an honourable retreat.

The Executive Council, the governor's de facto cabinet, met in secret yesterday, for the second time in three days, and gave Mr Patten permission to tell the Legislative Council tomorrow that within the next two weeks he will introduce for its deliberations part of his package for arranging the next election. This includes lowering the voting age to 18, and spelling out voting arrangements for the 1994 and 1995 elections.

These have been sticking points for almost 200 hours of Sino-British negotiations in Peking, over 17 sessions. In principle the two sides do not disagree on the talks, but Peking regards these issues as Mr Patten's way of smuggling into law his plan for a wider franchise in the 1995 elections. One Peking-controlled newspaper derided such laws by describing the Legislative Council as "nothing more than an advisory organisation under the control of the British governor in the British colonial set-up".

Peking's officials and media have insisted that such a unilateral British move will immediately stop all bilateral discussions, and that this will affect many other issues as well, such as the new airport and container terminal. More fundamentally, Peking's spokesmen have said that all administrative organs unilaterally arranged will be dismantled in 1997, when Hong Kong's sovereignty is transferred to China.

Officials here are expecting a break in the talks, although it is the British who have suggested more negotiating rounds on the larger questions involving the 1995 elections. It is understood that some of the negotiators, who have shuttled for months between Hong Kong and Peking, have brought their belongings with them to the colony because they do not expect to return to Peking.

The British say, however, that the colony's governor will not introduce his entire plan immediately on the slim chance that Peking might agree to negotiate on the rest of the governor's plan. There is also what the British call "presentation" — officials want to be seen here as not forcing the negotiations to break down. Democrats here insist, however, that the partial legislation is weak-willed.

Yesterday, the United Democrats, who hold 15 of the 18 directly elected seats, announced that they would amend Mr Patten's partial bill, so that there would be 30 directly elected seats in the 1995 Legislative Council. They also called again for a referendum, which Mr Patten rejects because Peking would regard it as a pre-emption of Chinese sovereignty.

Mandela condemns 'fascists'

FROM MICHAEL HAMLYN IN JOHANNESBURG

NELSON Mandela, president of the African National Congress, threatened the white right wing yesterday with the formation of an anti-fascist front to fight what South African newspapers are calling a Unilateral Declaration of Independence by the Afrikaner Volksfront.

The Volksfront, an umbrella organisation that includes the neo-Nazi Afrikaner Resistance Movement (AWB) and the Conservative Party, said on Monday that it would set up its own Afrikaner transitional government and defend it by force.

Mr Mandela said: "We will not let them escape." Every effort would be made to prevent the formation of an armed fascist front. "If they continue we will have no choice but to form an anti-fascist front."

He said earlier that the ultra-right wing, which he called the greatest threat to peace, would be crushed if it refused to join the democratic process, adding that the ANC would try to persuade the rightwingers to join in. Mr Mandela was speaking in Cape Town after meeting Ron Brown, the US commerce secretary.

TV chat channel will give voice to disgruntled rightwingers

FROM JAMES BONE IN NEW YORK

CONSERVATIVES frustrated by the perceived liberal bias of the American media will soon be able to tune their dials to a new cable television station featuring 24 hours of non-stop right-wing chat shows.

The Free Congress Foundation, a populist conservative group, is to launch National Empowerment Television, a channel dedicated to "informing, inspiring, entertaining and activating Americans by broadcasting programmes based on traditional American principles and values".

Shows will include a weekly *Progress Report* hosted by Newt Gingrich, a Republican whip, a look at military strategy called *War Games* and a call-in show called *Youngbloods* for teenagers who do not like watching MTV. On *Crime and Punishment*, viewers will be able to telephone William Barr, a former Republican attorney-general, to air their complaints about the criminal justice system.

The new network believes it can find an audience amid the plethora of American television stations after the spectacular success of conservative broadcasters since voters put a Democrat in the White House in January.

Rush Limbaugh, a brash right-winger, has a cult following among conservatives to rival any film star, and new conservative talk shows are springing up all the time. Even Gordon Liddy, the former Watergate conspirator, hosts a national radio talk show.

Observers say, however, that the new network is, in fact, only the opening shot in the expected war of "ideological programming" as technological advances add hundreds of new channels to cable television systems.

President Reagan made the revolution possible by lifting the "Fairness Doctrine" requiring broadcasters to present opposing viewpoints on public issues. Experts predict that television stations will follow the pattern of magazines, becoming increasingly specialised. Directed at a niche market, new cable stations no longer have to try to satisfy the whole spectrum of political opinion.

Even though conservative talk shows such as Limbaugh's dominate the television ratings, liberal organisations, including People for the American Way, are also said to be exploring the possibilities of launching cable television ventures.

National Empowerment Television will be received by almost four million homes with satellite dishes when it starts broadcasting on Monday, but it has so far found only one cable television system willing to offer it air time. Not surprisingly, that system serves the political addicts living in the suburbs of Washington.

Tramp's fire started California blaze

FROM ASSOCIATED PRESS IN LOS ANGELES

A TRAMP who said he made a campfire to keep warm pleaded guilty to starting a blaze that burned across 5,700 acres and destroyed 118 homes.

Andres Huang, 35, will be sentenced on December 21 on a misdemeanor charge of starting an illegal open fire. He faces a maximum six months in jail and a $1,000 (£666) fine. Huang told investigators he tried to put out the campfire but the wind blew it out of control. Preliminary estimates put damage from the fire at nearly $100 million.

Judge Judson Morris granted a request from Huang's lawyer that his client be held at a state hospital pending sentencing. The Altadena fire was one of 26 that swept southern California this autumn, killing four people and causing total damage estimated at $1 billion. Federal authorities said 19 of the fires were started deliberately. Huang was one of two people charged. A teenager whose name has not been released has been charged with starting another fire on October 26 in Orange County. The records in his case are sealed.

In another case, a Los Angeles man accused of threatening to start fires pleaded innocent to a 77-count federal grand jury indictment. Thomas Lee Larsen, 43, was not charged with starting any of the fires.

"...it was like shaving" — which is not

JEREMY KINGSTON

...Theatre Club has arranged a special evening

Alexander Hanson and Kathryn Evans in *Love*

Alan Coren

■ The first unified Budget will determine the extent of *not only cuts, but clippings*

Even as I type this opening line, Kenneth Clarke is getting to his feet to deliver his. And, who knows, if all goes tickety-boo for the pair of us, we could very well breast our respective finishing tapes together, whereupon I shall gallop downstairs and switch on the news to determine the extent to which his text bears upon mine. He, of course, will have to wait until tomorow morning (i.e. if he is reading this, now) to determine the extent to which mine bears upon his, but at the moment each of us is in the mutual dark about the other, and it is thus all pretty exciting for both of us.

Though not half as exciting as it is for Intermediate Ltd of Old Compton Street. For Intermediate Ltd have invented something, and the destiny of what they have invented hangs, this Tuesday afternoon, in the Chancellor's balance. Depending on what he is about to say, Intermediate Ltd could find themselves moving from Old Compton Street to either Easy Street or Carey Street.

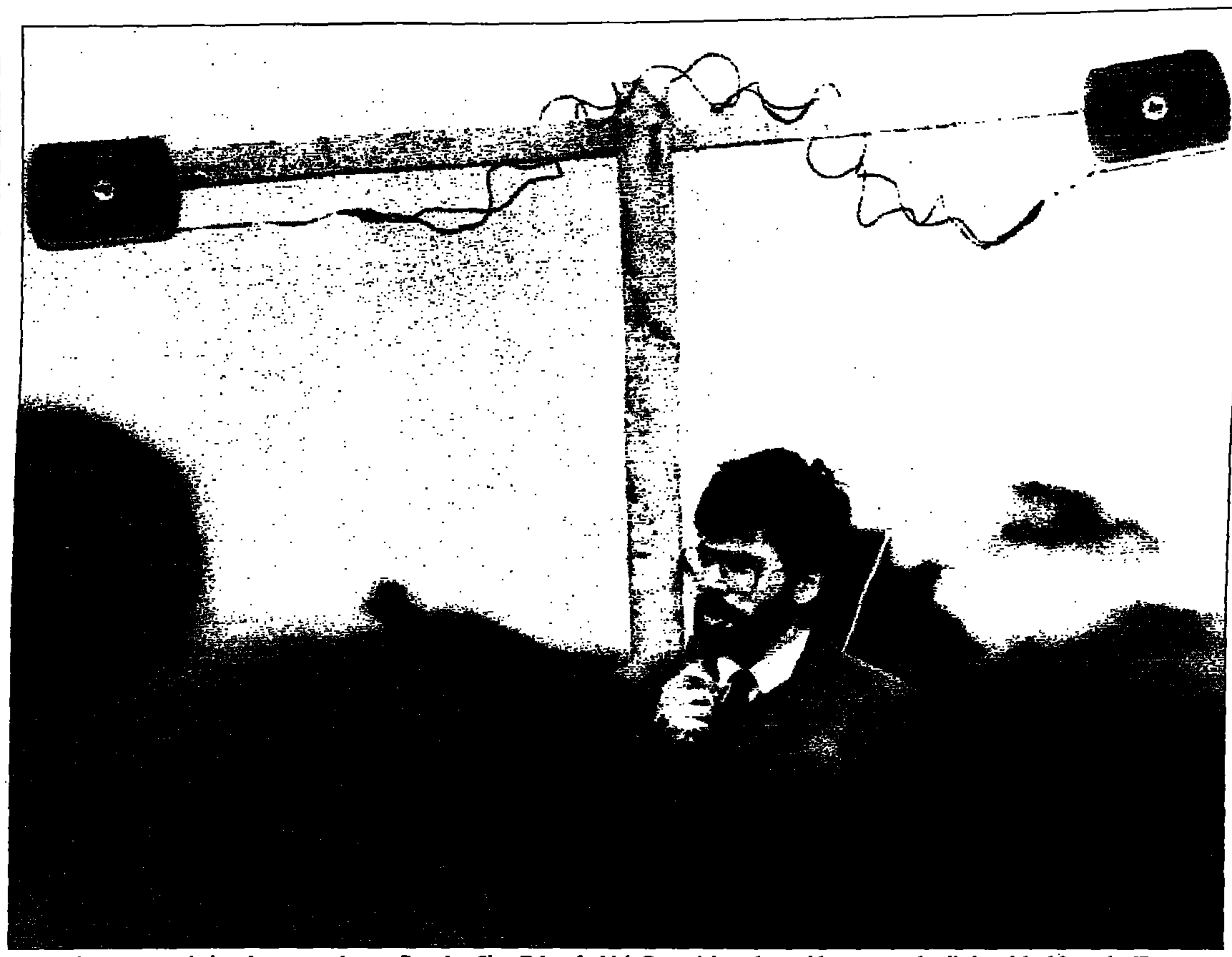
Now, most anthropologists agree that the world divides into two sorts of people: those who snip out cut-price coupons, and those who do not. Walk into any public place and you will be able at once to differentiate them: the well-scrubbed, shiny-shoed, natty-suited, clock-glancing, purposefully-striding lot whose umbrellas have somehow managed to retain both the titchy straplet and the button to which to affix it to ensure prime furling, and the tousled, scuffed, baggy, aimless, ambling lot whose umbrellas look like dead turkeys. The former know what they are about, the latter know what life is about; you may choose to designate them Spartans and Corinthians, you may prefer to hive them off as Roundheads and Cavaliers, but if you think of them as Gummers and Corens, you will not go far wrong.

I have never snipped a coupon. There are nigh on countless reasons for this but most of them fall under the general heading of life's being too short: in order for coupons to be snipped, the carton must be empty unless you want a floorful of cornflakes, the jar must be not only empty but run under the tap unless you want half a coupon, and then you have a whole wet coupon which must be put somewhere to dry until such time as you can find your glasses and discover that the offer closed the day before, and if it hasn't you have to add the coupon to three others from jars you haven't got but even if you had you wouldn't be able to finish before it did close, and if what you have snipped the coupon from is not a container at all but a newspaper, it will always have, on its obverse, half an article someone else was halfway through, i.e. more trouble. But all this apart, you are not a born Gummer, and even if you got as far as snipping the coupon it would only end up in the pocket of the jacket you didn't put on when you went to trade it in, or if it didn't, it wouldn't be in the pocket when you arrived, it would be somewhere in the lining, or you would inadvertently have used it to stop the car-window rattling.

Which is where Intermediate Ltd step in. For they have a coupon, too, and were you to snip it from *The Sunday Times* and send it to Old Compton Street with £6.99, you would receive an invention called a Couponizer. It is a wallet for containing cut-price coupons, and it comes with a card index marked "Fish", "Soap", "Jam", etc, and it snaps onto the front of your shopping trolley. It is for Cavaliers who want to become Roundheads. It is a Gummeriser. More yet, it comes with its own miraculous free gift of money-off coupons, to get you started.

Whether you wish to be seen as a Gummer, mind, i.e. to fetch up smirking at the checkout to point out that in addition to 10 per cent off your new purchase, you were also entitled to an entry form to win a fabulous sunsoaked holiday for two on the fashionable Latvian Riviera, is another matter. Am I ready to enrol as a nerd obsessed with free this and cheap that, in thrall to every marketing gimmick, a number not a man?

It all rather depends on Mr Clarke. If he has just finished so shrinking the pound in my pocket that a free sachet of Fairy Liquid is no longer to be sneezed at, then the Couponizer coupon I snip will be only the first of many. It is time for me to run downstairs and find out.



The recent revelations have served to confirm that Sinn Fein, of which Gerry Adams is president, cannot be distinguished from the IRA

Ulster's repelling magnets

Donkeys may fear for their hind legs, but no quantity of talk can find words miraculously acceptable to both sides

Simon Jenkins

Talk, talk, talk. We must have a "talks process". We must have a dialogue. We must sit round a table. We must get peace under way. After 25 years, give us words, any words. Words are better than bullets, bombs and intransigence.

But talk about what? Yesterday's details of messages between the government and the IRA are fascinating and devastating. They confirm that the IRA and Sinn Fein are one and the same. They confirm reports that the IRA's political strategy is bankrupt. The messages are full of clues about internal splits. The Warrington bomb, exploding during one exchange, is explained by the IRA in the "old Irish proverb: God's hand works in mysterious ways".

Nobody can doubt that the British government was right to respond to the IRA approach. Wars involve degrees of deception even of the ever-sensitive House of Commons. Since each message was punctuated by the IRA's worst killings in a decade, John Major's stomach must have more than churned. He must have wanted to throw up. Mr Major was courageous.

What is baffling is the government's strategy as the message "process" evolved over the past year. It assumed that it could cajole the IRA into a ceasefire on the strength of vague references to "the totality of relationships in these islands" and then get the Unionists to consort with the IRA around the table. To talk about what? Gerry Adams and Martin McGuinness appear to have been unable to control their militants even during the negotiations. What hope after their understandable fears of "press misinterpretation of surrender"? Would the Provisional cells accept that they had sacrificed life and liberty to see Messrs Adams and McGuinness confirm the Unionist veto on Irish unity?

And what of the Unionists? Mr Major may have brought the official leader, James Molyneaux, temporarily on side with his Clintonesque deals over Maastricht. But I cannot see how he, or the IRA, can have imagined Unionist agreement to talks with the IRA on the basis of the phrases in these messages. These messages may be scrupulous about not accepting a "prior objective" of the "ending of partition . . . unless the people of Northern Ireland come to express that view". Ministers will uphold the union, but the overall sense is of upholding it *pro tem*.

Small wonder the Shankill is outraged by such weasel words. Unionists will get scant comfort from a government that can seem so even-handed about ending the union. And what did the British negotiator mean by saying that if violence ended, "the whole range of responses to it would inevitably be looked at afresh"? Was he authorised to offer amnesties?

Of course the angels of peace have the best tunes. But there is no dodging Ulster's Catch 22, presented with typical clarity last week by Norman Tebbit. Even if Mr Major got his horses to the trough, he would not get them to drink the present stagnant water. No conceivable "talks" outcome would get the IRA to lay down its weapons and not have the Unionists pick up theirs. Terrorism is no more than the extension of politics by other means. As long as the politics of Northern Ireland remain inert, the violence will continue. The brutal question about these exchanges is why they went on so long.

So let us ask again. Suppose Hume-Adams had worked. Suppose the McGuinness contact had proved fruitful and the IRA had capitulated. Suppose a further miracle: an ectoplasm of peace and brotherly love oozing alike from Mr Molyneaux, Ian Paisley, Peter Robinson and the commanders of the loyalist paramilitaries. Suppose all this and coffee and biscuits on the leather chairs at Stormont. What then?

Soldiers always fear generals who send them to win a beach-head and give them no further orders. Each ingenue British politician donning his puttees and pith helmet to go and rule in Belfast feels his job is merely to "achieve talks". Northern Ireland politicians view these initiatives with cynicism because they know the endgame. They have seen it before. It is called power-sharing at Stormont with an "all-Ireland dimension". The majority will not accept it. It does not work. It has never worked.

Stormont embodies and exaggerates the bipolarity of Northern Ireland, of Catholic versus Protestant, Unionist versus Nationalist. A provincial assembly selecting an all-party power-sharing executive will collapse into another Unionist ascendancy. The Catholics will walk out, the British will walk back in. Nothing will have been gained. It is pointless.

Power-sharing was tried briefly in 1974 and has been attempted twice since. But Ulster is split by a deep tribal fissure (all other adjectives are otiose). A constitutionalist may find a Swiss canton or a Canadian county where multicultural power is shared. Hope may spring eternal, but history is on the side of the sceptics. British ministers may see "talks" as a yellow brick road to a peaceful dawn. Local politicians see only a yellow brick wall. Small wonder Mr Molyneux is emphatic: no institutional power sharing at Stormont. Yet that is precisely what Mr Major's emissary conceded to Mr McGuinness in the turgid phraseology of the March 19 message.

John Major must be careful. He has let it be known that he sees Ulster as his chance for Falklands glory. He has put his hand to the sword in the stone. He has recited the spell: talks, talks and more talks. He has given a tug. But the hilt has come off in his hand and he has gashed himself badly. I imagine that when Mr Major meets the Irish government shortly, Mr Reynolds will suggest he either sack Merlin or forget Lady Guinevere and get back to basics. This sword shows no signs of budging.

The conflict in Northern Ireland, now well into its third decade, will never be resolved in London or Dublin. It is cursed with the diplomatic fallacy: an exaggerated belief that all problems are soluble by those in high places knocking other people's heads together. Mostly this just breaks skulls. In Ulster, men and women of good will talk the hind legs off Irish ponies. They go to seminars and get drunk and hug each other and swear blind commitment to peace and reconciliation. They drink tea at Downing Street, Bushmills in Hillsborough and Guinness on the banks of the Liffey. But as long as London and Dublin are there to carry the can and pay the bill, green and orange can stay on opposite sides of any fence going. They will talk to anybody but each other.

I believe the only hope for Mr Major now is for him to stop talking about talks. The existing faction leaders are not going to sit down to discuss anything substantial. They are repelling magnets. Talks about talks in Ulster are content-free politics, words with no meaning.

What Mr Major must put forward is a plan, not a set of options or a consultative paper, let alone another process. He needs a good old-fashioned Colonial Office plan for the self-government of Ulster, and one that bypasses the Stormont Catch 22. It must repatriate democratic power over the only "governance" that matters there, over schools and hospitals and roads and housing estates and planning. It must withdraw direct rule except over security. Elections should be held on a due date to local councils, not to Stormont. The Catholics would gain "power" over at least a third of the province. Such a plan would boost the status of responsible politicians from both communities. At the same time, the Unionists (and Dublin) should be told that the all-Ireland dimension has been put on ice for the time being, or at least been left to the existing Anglo-Irish machinery. Only if Dublin really does amend its constitution will a response be forthcoming from London.

This is not a version of the "integration with Britain" espoused by some Unionists to forestall a future referendum on Irish unity. It is simply meant to regenerate local politics and empower a new tier and new generation of community leaders. The result might be chaotic, possibly corrupt. But at least the chaos would be democratic chaos. It would circumvent the paramilitaries, pushing them back to the margins of politics, confining them to gangsterdom.

British governments might then stop putting killers on pedestals and granting the IRA *de facto* status as a constitutional broker. Something new might happen in this wretched place. We might all stop chasing will o' the wisps.

This way out of the woods

Christopher Mead offers the minister a plan for forestry

Gillian Shephard, the agriculture minister, has on her desk an interim report on methods of privatising the Forestry Commission, from a group of civil servants known as the forestry review group. If the issues at stake were merely the commercial production of home-grown timber, privatisation would concern few people. But private ownership may threaten the Forestry Commission's successful balancing of forestry with the needs of conservation and the environment, as well as public access to huge areas of the commission's land.

Many millions take advantage of the commission's free access policy to its 1,133,000 hectares — which also provide valuable habitat for all sorts of animals and flora. Earlier this year the Ramblers' Association reported that when it traced ownership of about 10 per cent of the 173,00 hectares of Forestry Commission land sold in the past 12 years, it found that the public was allowed access to only 15 of the 109 woods involved, even though the new owners included bodies such as the National Trust, the Woodland Trust and local authorities.

The obligation imposed by Parliament on the Forestry Commission to "balance the needs of the environment and conservation with forestry" has been successfully achieved, even in working forests devoted to making money from timber. Much of the environmental and conservation value of the commission's land is not site specific. Rather it results from the sympathetic management strategies applied to whole forests.

A good example is Thetford Forest. Here continuous production of timber means that a mosaic of all stages of woodland — from clearfell (cropped areas) and replants to mature crop about to be felled — have been and will be the pattern for the foreseeable future. Early stages of growth provide habitat for more than 150 pairs of woodlarks, probably 10 per cent of the total British population. The same areas, and those through the next five years of tree growth, are used by some 300 pairs of nightjars, again about 10 per cent of the British total. At the other end of the production cycle, the technique of leaving small stands of older trees, when the crop is taken, has provided nesting sites for the very rare goshawk and its much more common relative the sparrowhawk. In addition, walkers, orienteers, riders, carriage-drivers and even husky-racers make extensive use of the area.

Piecemeal protection of individual sites, such as those designated as of special scientific interest, will not ensure the continued existence of such working forests with nationally important wildlife interest. It is not realistic to suggest that the non-commercial areas contain the major wildlife concentrations, or that these are the areas most used by walkers. A suggestion that the management of areas of forest should be franchised by the Forestry Commission seems dangerous. No matter how much emphasis is put on conservation and environment interests, private managers would put financial considerations first.

Unfortunately, continued management by the commission, even if recommended by the forest review group, may not be acceptable to government. Indeed the group's terms of reference virtually instruct it to recommend some means of privatisation. The potential proceeds have been estimated as exceeding £2 billion — a handy sum for the beleaguered Treasury to pocket. But some argue that a valuation of £700 million would be too high, and that the sale of the Forestry Commission would devalue forestry land already in the private sector by between 50 and 75 per cent. There seems only one way to realise this financial asset safely, while both safeguarding the achievements of the commission and satisfying the public interest. This is a form of management buy-out.

The existing management and staff would stay in place. Shares in, say, "Britain's Forests" would be made available to the public and to institutions, but it would operate under constraints similar to those wisely applied by Parliament in the past. The return expected on the shares might not be as high as with other enterprises, but those investing in the growth of trees must take a long-term view. Incentives for the private individuals purchasing shares would include free use of car parks, bridleways, and so on, turning Britain's forests into a membership organisation. Fiscally, it would be appropriate to allow investors long-term tax advantages (possibly exemption from capital gains tax) to encourage long-term ownership of shares by institutions as well as individuals. The new organisation would by no means be a monopoly, as the commission represents only 40 per cent of our forest industry. Much is already in private hands and there are also large forestry companies.

Britain's Forests would be able to buy, sell and lease land as the commission does now, but all sales activities would be scrutinised by a widely representative regulatory committee. Bodies such as English Nature, Scottish Natural Heritage and the Countryside Council for Wales, as well as the National Trust, Institute of Biology, RSPB and British Trust for Ornithology might be represented on this committee, together with relevant forestry interests. It would be able to impose legally binding constraints on management of the land which was sold, so balancing private and public considerations.

The author works for the British Trust for Ornithology.

THE TIMES DIARY

Paisley's pattern

HE MAY not have gone quietly, but at least the Rev Ian Paisley went peacefully on Monday after Betty Boothroyd eased the crowding on the Budget-day benches by banning the member for Antrim North for five days. If the latest issue of *The House* magazine is to be believed, she got away lightly.

In it, Paisley kicks off a new series on MPs and their parliamentary heroes by citing Edward Carson, "the founding father of Northern Ireland". Carson, recalls Paisley, did not believe in the pulled punch. "He set himself against the whole English establishment and he conquered," storms Paisley.

He admires "Coercion Carson", he says, for his "faith, fight, fire, fearlessness and fidelity". Particularly his fight. Paisley recalls that Carson's stand on Ulster once provoked a real fight in the Commons during the passage of Gladstone's second Home Rule Bill. What began as a shouting match between Carson and some Liberal MPs ended up with Irish Nationalist MPs and the small band of Ulster Unionists exchanging blows, and "soon fighting was going on in every part of the chamber".

The eulogy emphasises the parallels between the two men. Carson, says Paisley, "had an intensely emotional nature which was nurtured by the vast crowds attending his public appearances". But Paisley has clearly not aped his hero in everything. "Carson spoke slowly and he had a melodious voice. His speeches were easy to hear but difficult to read."

Round and round

THE *Daily Mirror's* socialist credentials appear to have suffered another setback with the launch of what the paper terms its "big-hearted appeal for '94". The *Mirror* has teamed up with the Rotary Clubs of Great Britain and Ireland, an organisation rightly renowned for its charity work but not for its Labour leanings.

"The members are mostly Conservative, I should think. Yes definitely," admits a passing source at the Rotary Clubs of London. Nor are Rotarian ideas of equal opportunity likely to endear them to anyone with even modestly radical leanings. Although women have been admitted since 1989, male chauvinism shows little sign of disappearing — recent estimates are that of the 63,500 rotarians, just 620 are women.

The *Mirror* stresses that it is "purely a Christmas appeal". And Rotary's headquarters distances itself from politics. "We're a most determinedly non-political organisation," says a spokesman. "Last year we teamed up with the *News of the World.*"

Second lady of Eton

JOHN LEWIS, Eton's new Head Master, has much to look forward to when he takes over next September. For as well as a salary of more than £70,000 and arguably the most prestigious job in private education, he will have the services of the redoubtable Shirley Marshall, now in her 23rd year as secretary to Eton's head man.

Marshall is believed to want to stay on to work with Lewis, who would be her third Head Master after Michael McCrum and the incumbent, Eric Anderson. She enjoyed close contact with Lewis when he was Master in College (the scholars' housemaster) from 1975 to 1980.

The close relationship between Head Master and secretary can sometimes cause confusion, she says. In the latest *Eton College Chronicle*, she recounts how a parent once mistook her for the Head Master's wife. "I was teased for a long time afterwards."

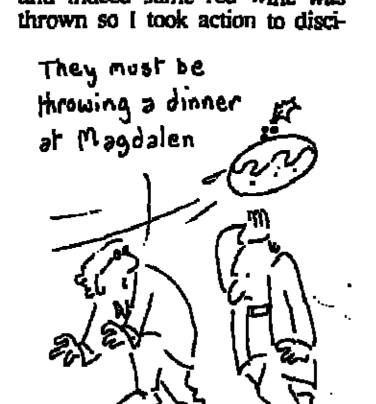
● *Sartorial as well as fiscal matters played heavily on the minds of Kenneth Clarke's aides in the run-up to yesterday's Budget. Although they had given up on the Chancellor's Hush Puppies, they implored him to break his habit of coloured shirts and wear a smart white one for the occasion. A compromise was reached: a white shirt with a dark stripe.*

Flying tonight

LESS than a week after the disqualification of a candidate standing for JCR president on a ticket of "Back to traditional values" at Magdalen College, Oxford, the swing back to traditional student behaviour has resumed.

The Magdalen authorities have now imposed stern disciplinary measures after food and wine were thrown with abandon at the college's Christmas dinner on Sunday. The bar has been closed, various members of the college rugby team have been threatened with rustication, and there is talk of changes to avert such ugly scenes next year.

Trouble began when the rugby players, dressed in black tie, started making rather more noise than could be tolerated by the president, Anthony Smith. Early on in the meal, he advised the unruly bunch to quieten down, but by then the 20-strong squad had started lobbing food. Father Jonathan Sedgwick, dean of divinity, intervened and narrowly missed being caught by flying red wine. "I went to try and calm matters down and indeed some red wine was thrown so I took action to discipline the culprit," he says. "We do not regard this kind of behaviour as acceptable."



The human factor

TORY whips are out to split up Westminster's oddest couple. David Evans's surprise victory last week in elections to the party's 1922 Committee is being used as an excuse to part him from John Redwood, the increasingly outspoken Welsh secretary.

Evans, Redwood's parliamentary private secretary — or more informally his "bag carrier" — describes his job as "humanising" the cerebral, ultra-dry cabinet minister once suspected of coming from the planet Vulcan. The whips are not convinced that Evans has succeeded, and are seeking a safer pair of hands for the accident-prone Redwood.

The whips insist that Evans stopped being Redwood's man the moment he was elected. Redwood will be asked to pick again.

Although he will accompany Redwood in the Welsh grand committee tomorrow, Evans acknowledges that the whips are likely to get their way. "I am very sad," he sighs. "I felt I had something to contribute to John still, and think the government would benefit. I am so much older and more streetwise." Not to mention human.

MASTER OF THE RING

A budget for economic and political recovery

Kenneth Clarke opened his first budget box by likening himself to a tyro lion-tamer. By the end of his speech the wild beasts on his own back benches were purring like cubs and those opposite him were snarling helplessly before the whip. Only once a year now do Chancellors have a chance to seize the public imagination: initiatives, so beloved of other ministers, come rarely from the Treasury. Yesterday was Mr Clarke's single best chance to stamp his authority over the political ring. He took the opportunity with rare style.

He might reasonably have despaired at taking over a job that was so heavily constrained by policies already set in train by his predecessor. Yet Mr Clarke managed to produce more excitement and new ideas yesterday than there were in the whole of the Queen's Speech. The unified Budget allowed him to delve into every corner of government spending and revenue. From now on, it seems, Chancellors will have a greater chance than ever before to be prime ministerial in their ways.

The speech was entertaining and rumbustious enough to delight even his critics. The party's spirits were given their biggest lift since John Major's woes began last autumn. The immediate political impact was clear. Backbench mutinies over the level of compensation for VAT on domestic fuel have been bribed away; the cost of the bribe is enough to raise doubts over whether the extension of VAT was worth doing at all. The Tory lions may make some small squeaks over the reduction of unemployment benefit entitlement from one year to six months. But other social security changes should be easier to pass: the childcare allowance to parents on family credit will be particularly welcome. The sense of a sharpening divide between the parties over the future of welfare will be welcome to Conservatives who had begun to wonder what their party stood for any more. Toughness now should bring electoral rewards when they are needed most.

Many of Mr Clarke's new measures are so sensible that it is a wonder none of his predecessors saw fit to introduce them. Owners of small businesses will be pleased both by the promise to allow them to charge interest on late payments and by the two new capital-raising schemes designed to replace the now-discredited business expansion scheme. The decisions to raise the pension age for women to 65 and to cut mortgage interest tax relief have been late in coming but are no less welcome for that.

The Chancellor has chosen a good time to raise excise duties in real terms: inflation is low and the effect on the retail prices index will be less painful. His decision to freeze allowances for income tax, inheritance tax and capital gains tax will raise money in a way that is the most invisible to the taxpayer. The shift of sick pay from government to employers is a political good in itself, pushing back the bounds of state intervention. Its cost has been neatly mitigated by cuts in national insurance contributions.

But the biggest boom in this Budget came right at the end: the unexpected announcement of a £3.5 billion cut in planned public spending for the coming year. For the first time, a Chancellor has been able during his Budget speech to announce a huge improvement in the public sector borrowing requirement that comes not from higher taxes but from lower spending. It seems that in this year's expenditure round, unlike previous years, ministers have not been allowed to raid the contingency reserve: it is no wonder that the protests against Treasury tightness have been so loud. The secret hero of yesterday's Budget was assuredly the chief secretary, Michael Portillo.

So, on the day after the Budget it seems that the Chancellor has performed a tyro's coup. Over the next months and years, however, Mr Clarke will have to prove his worth in a less conspicuous way. The low projections for the PSBR depend crucially on his own continuing tough performance. If he does not keep inflation down, if he fails to restrain public-sector pay, if spending ministers get the better of him, yesterday's Budget risks being reviled as a first-timer's fluke. True to the spirit of the citizen's charter, Mr Clarke has designed for himself a performance-related contract.

TROUBLE IN GAZA

Neither side can afford to relax the timetable for self-rule

The latest killings, shootings and riots in Gaza are reminders of the vulnerability of the Middle East peace process to determined sabotage and the chronic tensions in the occupied territories. What began as routine Israeli search-and-arrest operations against Hamas rejectionists last week started riots, followed by the shooting of a leading member of Yassir Arafat's Fatah Hawks and the arrest of the group's commander. Yesterday there was seemingly indiscriminate shooting by Israeli troops when thousands of Palestinians poured on to the narrow streets of the Khan Yunis camp.

None of this should surprise. Even amid the euphoria of the Washington peace agreement, all sides predicted that violence would continue. The Israelis blame the rejectionists, and insist that the recent violence in Gaza has been instigated by Syria. Clearly, many are still intent on destroying the peace accord. This applies equally to some Jewish settlers, who have taken bloody revenge for the murder of one of their number and who now say they will refuse to recognise any Palestinian authority. Yet the tortuous negotiations on implementing the accords have nevertheless continued. And the Israeli prime minister, Yitzhak Rabin, publicly expressed his regret at the escalation yesterday, pledged to try to prevent more bloodshed and dispatched an envoy to talk to Mr Arafat in Tunis.

Mr Rabin's conciliatory gestures may have been prompted in part by his lightning trip to Europe, which will bring him to London tomorrow. But there is solid evidence that both sides are still committed to their new relationship. Each knows the fearful cost of failure. The worry is that neither side can ignore events on the ground. Mr Arafat has already taken huge risks and is seeing his support drain away, both in Tunis and on the West Bank. Now that the Fatah Hawks, the very people aligned to Mr Arafat, are threatening to revive the intifada, there are real questions about how much Mr Arafat can deliver.

Similar questions hang over Mr Rabin. He admits that his parliamentary majority and popular support are shakier than before. All the more reason, therefore, for him to rein in the Israeli army in Gaza and avoid, as far as humanly possible, aggressive search-and-arrest tactics between now and December 13, when Palestinian self-rule is scheduled to begin.

While the peace process between Israelis and Palestinians remains on track — though the track is proving rough — one outside force is out to demonstrate that it retains the capacity to block the road to a wider peace. Syria, which already claims a *de facto* veto on the implementation of the Israel-Jordan peace plan, has further hardened its stance. On the eve of an important visit to the region by Warren Christopher, the US secretary of state, President Assad is demanding specific Israeli pledges on withdrawing from the Golan Heights before even opening negotiations on a peace treaty. Mr Christopher must leave him in no doubt that reciprocity is the name of this game. Meanwhile, Mr Rabin must keep up the momentum with the Palestine Liberation Organisation. There must be no altering the timetable for this first stage of Palestinian self-rule, whatever the trouble in Gaza. Only when the treaty is in force can Mr Rabin give his undivided attention to a deal with Syria.

FLOREAT: IT USUALLY DOES

There is more to Eton than just a pretty past

Eton College appointed its new Head Master yesterday. Heads of schools are both the guardians and pioneers of the future. But for no school other than Eton would the appointment of its new head create international news. This seems to confirm suspicions that recent rumours of England as a classless society at ease with itself have been greatly exaggerated.

Eton attracts peculiar attention for adventitious reasons. Its principal royal benefactors, Henry VI and George III, are the two English monarchs agreed to have been mad. The uniform, adopted in mourning for George III, is quaint. The eccentricities of its traditions, from the Wall Game to the Fourth of June, are good copy.

Yet this picture of Eton is to mistake antique feathers for the real bird. Eton was founded by Henry VI to provide the best education free for 70 poor scholars. The King's Scholars, still educated free if their parents cannot afford any fees, remain at the heart of Henry's ideal college. Because the teaching was usually the best available, Eton became the pinnacle of education.

Much of the snobbery has faded away, with the fagging and the top hats. The Provost and Fellows were conforming to an Etonian tradition of buying the best modern techniques by using headhunters to search for their new Head Master. They conformed to Etonian prudence by recognising that being chief executive of such a national institution was a job for a professional.

John Lewis is a New Zealander, the first foreigner to become head of Eton. He is an intellectual, with a double first in classics from Cambridge, which will win him respect from his clever, opinionated and sometimes difficult teachers. He has been Master-in-College (keeper of the King's Scholars), and head of Geelong Grammar School, which should encourage him to beat back lingering traces of Etonian snobbery.

Mr Lewis says that he has an open mind about whether Eton might go co-educational as Geelong is. That will also be a matter for the checks and balances of the Provost and Fellows, and the traditionalism of Old Etonians. But if he were to let girls also enjoy the benefits of an Etonian education, as he should, he ought to take them from common entrance up rather than creaming off the brightest from girls' schools for his sixth form. In the appointment of its new head, Eton has taken an imaginative look at the future, rather than at its romantic past. That is why it remains such a formidable pacesetter for other schools.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 071-782 5000

Accountability of civil servants could be double-edged

From Professor Alan Maynard and Mr G. C. S. Mather

Sir, We agree with those who feel that now is the time to change the conditions of service of senior civil servants and make them more accountable (*The Times* Essay, November 22; Riddell on Politics, November 23; report and Simon Jenkins, November 24).

During the last decade there has been a vigorous attempt to improve efficiency in the public sector and to make professionals more accountable. Measures to achieve these ends have been designed and executed by senior civil servants. They themselves, however, continue to have terms of employment which are at once vague and secure.

The tasks which government wants these officials to carry out should be clearly articulated and performance criteria should be agreed. Government should negotiate short-term contracts for these services and the tenure and pay of civil servants should be clearly dependent on performance.

This model has been tried and tested in New Zealand for several years and endorsed by governments of both main parties there. It offers a real possibility of improving accountability and the quality of government, particularly if senior Civil Service appointments and renewals are made in the open and by an independent body.

Yours faithfully,
ALAN MAYNARD
(*Director, University of York Centre for Health Economics*),
GRAHAM MATHER
(President, European Policy Forum),
c/o University of York,
York YO1 5DD.
November 26.

From Dr K. Swann

Sir, Simon Jenkins is right to remind us of the dangers in disregarding the qualities of our senior civil servants. However, in arguing that the quality of the advice is worth preserving, despite Sir Humphrey being a poor manager, he misses the point.

What is clearly needed for ministers and senior civil servants alike is knowledge of techniques and processes used by organisations in pursuit of excellence. It is within that framework that advice should be given and received.

Governments of our competitors have a much stronger and closer relationship than ours with their wealth-generating industries. This in turn brings with it a greater understanding of the changes necessary in the pursuit of competitive advantage. The virtuous circle of investment in the latest technologies, systems, organisational change, training and production processes is part of their culture.

Change cannot be successfully brought about simply by installing new systems to be operated by existing personnel. Early retirement, retraining and different recruitment policies, which recognise the benefits of technology, engineering and science, are required.

Sincerely,
K. SWANN,
University of Bradford,
Business Development Unit,
Richmond Road,
Bradford, West Yorkshire.
November 26.

From Mr K. A. G. Murray

Sir, Under what aegis — an emasculated Civil Service Commission or a new and weighty Public Service Commission — will the new Civil Service selection process be performed? And who is to report on an unsatisfactory permanent secretary thus chosen; or what of an under secretary who proves just good enough to get by but to go no further?

It is vital, and always has been, that those who might be regarded as "outsiders" (c.f. graduate entrants to the police) should soon demonstrate that they are excellent choices, or there will be constant and justified dissatisfaction from the existing mandarins.

And, appealing as it is, it might be near the time to relegate the term mandarin to the same bin as that which should (but often does not) contain the label of "prison warder".

Yours sincerely,
KENNETH MURRAY
(*Director, Civil Service Selection Board, 1964-77*),
15 Melvinshaw, Leatherhead, Surrey.
November 26.

From Mr S. B. Kibbey

Sir, If senior civil servants are to be "held accountable" for policy failures, as Simon Jenkins says, they must be free to speak out in their own defence. To have to expound, justify and put into practice policies adopted by ministers against their advice puts a great strain on the professional integrity of officials. But it is a duty they discharge in confidence and with complete loyalty.

If officials are to be called to account for policy failures the Civil Service will become embroiled in party politics with dire consequences, for ministers and public alike, when the present protracted period of one-party government comes to an end.

Yours faithfully,
S. B. KIBBEY
(Under Secretary, Department of Health and Social Security, 1971-6),
29 Beaulieu Close,
Datchet, Berkshire.
November 25.

From Mr R. A. Harrison

Sir, You report (November 20) that "top civil servants who fail to carry out their duties efficiently will face compulsory redundancy".

Surely they cannot be made redundant unless the post is disestablished? Is not the true situation that if they fail in their job they will be paid to go away? Why can't they be sacked, without compensation, like other people?

Yours faithfully,
R. A. HARRISON,
3 Prior Croft Close,
Camberley, Surrey.

Opposition to religious leaders' call on Sunday trading

From Mr Nicolas Walter

Sir, The letter (November 29) in which four religious leaders demand continued regulation of Sunday trading misses the point. This is not whether people should continue to observe Sunday as a special day, but whether they should be forced to do so by law.

At one time, virtually all commercial and recreational activities on Sunday were illegal, but gradually people demanded and eventually the law allowed cafés and restaurants, buses and trains, museums and galleries, lectures and meetings, concerts and films, sports and games on Sunday as on any other day.

All that is being demanded now is that the same should be true of shops. After all, churches may open, ministers may work, and believers may worship on Sunday; why shouldn't shops and shoppers and shop-workers have the same freedom?

The English law regulating Sunday trading is almost the last vestige of the enforcement by the state of the doctrine of the Christian church, and the religious argument is the only justification for continuing to use the criminal law to protect the sabbatarian tradition. It is impossible to find workable compromises about types of goods, size of shops, or hours of opening; the time has come to bring the whole anomalous situation to an end. Keep Sunday special, for those who wish; for those who don't, set Sunday free.

Yours etc,
NICOLAS WALTER,
Rationalist Press Association,
88 Islington High Street, N1.
November 29.

From Mr John L. Marshall, MP for Hendon South (Conservative)

Sir, The Archbishop of Canterbury and his co-signatories claim that deregulation of shopping legislation will hit those on low income. I recently visited two shops in my constituency, one of which they might allow to open on a Sunday and one of which they would presumably force to close. In the former it would cost £18.35 to buy a range of essential, branded goods; in the latter, £13.74.

Allowing supermarkets to open on a Sunday will in fact benefit those on low incomes, many of whom do currently shop in a supermarket on a Sunday.

Yours faithfully,
JOHN MARSHALL,
House of Commons.
November 29.

From the Vicar of Linthwaite

Sir, On a rare Sunday off recently I had a splendid time shopping in a former corn exchange, converted into shops, and in a vast city-centre bookshop. What struck me particularly was the large number of families shopping with me.

It was obviously all so recreational, and none of the people who were serving seemed other than happy to be doing so. Despite all the commerce, it still felt to me very much like Sunday, and I daresay many besides me had been to church.

People will get to church if they want to. Churches may have to vary the hours of the services *they* provide, and a church adjacent to a shopping precinct open on a Sunday might well benefit from shoppers casually coming in (as would the shoppers).

The argument about protecting the "corner shop" is specious and sentimental: those whose owners are willing to work imaginative hours will survive.

I for one do not want either the state or religious leaders telling me when and where I can shop, and what I can buy on a Sunday or any other day.

Yours faithfully,
CLAYTON COON,
Linthwaite Vicarage,
Huddersfield, West Yorkshire.

From Mr R. M. Bale

Sir, Perhaps the call to "keep Sunday special" should be extended from shop workers to those working in the electricity, water and gas industries, hospitals, public transport, airlines, police, catering and shipping, etc, all of whom are currently disadvantaged by not having the same right to a special Sunday.

Yours faithfully,
R. M. BALE,
Rocque Berg, St Clement,
Jersey, Channel Islands.
November 29.

From Canon John H. Williams

Sir, How can the Church teach people the difference between right and wrong if the government encourages them to spend Sunday in the supermarket?

Yours faithfully,
JOHN H. WILLIAMS,
St Saviour's Rectory,
Sidney Road, Forest Gate, E7.
November 29.

Church finances

From Mr John Akerman

Sir, When comparing the Church of England with a business Mr R. C. Woods (letter, November 20, supported by Mr D. M. Clement, November 25) betrays the same inward vision that has destroyed much of England's industry. The best way of improving the finances of an organisation is not cost cutting, important though that may be, but getting out and selling more of the product.

In today's climate of stress and uncertainty there is a huge market for the message of Jesus Christ but the Church of England seems to make no serious attempt to reach it.

Instead of spending their time in the farmhouse squabbling over who should look after the few sheep remaining in the pen the C of E shepherds should get out and gather in some of the multitude of lost ones.

Yours sincerely,
JOHN AKERMAN,
52 Torrin Drive,
Shrewsbury, Shropshire.
November 27.

From the Vicar of Amport

Sir, I agree with Mr D. M. Clement's suggestion that with modern communications four neighbouring dioceses should be able to achieve economies by developing a range of shared services. However, a word of caution.

I am the incumbent of four rural parishes. The two furthest churches are three miles away and the two nearest not far short of a mile from each other.

In a recent article in my benefice magazine I dared to float the idea that we, too, could achieve savings in heat and light by sharing worship during the cold, dark winter months. The power I might have saved has been more than offset by the heat of parochial reaction, which can only be described as electric!

Yours faithfully,
ROGER S. BENNETT,
The Vicarage, Amport,
Andover, Hampshire.
November 26.

All presently correct?

From Mr G. Lee-Gallon

Sir, Mrs J. H. F. Cox (letter, November 29) might like to consider *persona non grata* as the politically correct version of *homo sapiens*.

Yours faithfully,
G. LEE-GALLON,
Clock House,
Bradford Grammar School,
Keighley Road,
Bradford, West Yorkshire.
November 30.

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — 071-782 5046.

Frontiers of science

From Dr Boris Rankov

Sir, In your editorial of November 24, "Bamboozle science", you claim that, as archaeology, the trans-Pacific voyage of Tim Severin and, by implication, all similar ventures are "a load of old rowlocks". And while you admit that the recent trireme reconstruction, *Olympias*, "answers and raises interesting questions for scholars and ancient boat-building and naval tactics", you allege that "as a scientific witness to what went on at the battle of Salamis, it is less reliable even than Herodotus." As if one of these questions were more or less important than, and even unconnected with, the other!

Experimental archaeology sets out to test the physical practicality of the theories of historians and archaeologists. Firing a replica kiln, or observing the weathering of a restored rampart, or sailing a reconstructed ship establishes the parameters of what is and is not possible. So long as such experimentation is undertaken scrupulously and systematically and is, above all, properly published, it significantly advances our knowledge.

Yours faithfully,
BORIS RANKOV
(Director, The Trireme Trust),
Royal Holloway,
University of London,
Department of Classics,
Egham, Surrey.
November 25.

If they want to get ahead . . .

From Mr Timothy Glazier

Sir, Rachel Kelly is right ("Whatever happened to the hat?", November 23). The resistance by the British male to covering his head, even in the most adverse of weather, is extraordinary and perhaps demonstrates more than anything this nation's characteristic of perversity — or should one say "boneheadedness".

A hat, by its very position on the body, always makes a statement, and this bears out Ms Kelly's assertion that a reason for the rejection of headwear was the class or status connotations of the cloth cap, bowler, topper, etc. But it is my contention, as a third-generation hatter, that men do enjoy wearing hats and are longing for the right classless styles to come along — one reason for the popularity of that ubiquitous transatlantic import, the baseball cap.

Yours sincerely,
TIMOTHY GLAZIER,
11 Old Burlington Street, W1.
November 23.

From Mr Adam Bruce

Sir, This morning I strode into work through driving snow, with the temperature barely above freezing, wearing an ex-Soviet army officer's fur hat, purchased by barter in Budapest in 1991. In more clement conditions I might wear my Akubra, an Australian broad-brimmed hat, acquired in Sydney in 1988. If it gets particularly hot, I could sport my broad-brimmed canvas hat, which I bought to go walking in the Cevennes this summer.

If the present weather continues, I may don my most prized possession, a fur hat from Winnipeg, guaranteed to keep my head warm long after I have lost all sensation in my feet.

Yours faithfully,
ADAM BRUCE,
8 Montgomery Street, Edinburgh 7.
November 23.

From Mr Alex Wengraf

Sir, Rachel Kelly should try driving with a hat on or just getting into a car with a bowler, let alone a great fashion number. It was not the sexy Sixties that killed the hat, nor the different deference, but the fact that trains and buses have heaters and motor manufacturers leave only an inch of clearance over the driving seat.

Yours faithfully,
ALEX WENGRAF,
The Old Knoll, Eliot Hill, SE13.

From Miss Mary E. Jelley

Sir, Rachel Kelly's article made delightful reading. Let us hope that it will encourage men to return to wearing hats, if only to enable women to recognise, by the way it is worn, what manner of man approaches.

Yours sincerely,
MARY E. JELLEY,
The Shepherd's Cottage,
Chute, via Andover, Hampshire.
November 23.

Besting 'the best'?

From the Editor of New Departures

Sir,
Last Thursday Daniel Johnson
preened
New poetry by James Fenton
— Fine; but since your esteemed
Lit Ed and critic went on

To show what a perfect piece of cake
Fenton's verse is to imitate,
Surely Daniel's made some slight
mistake
When he calls James the very "best
of our great"?

Yours, pp all the other excellent poets,
MICHAEL HOROVITZ,
Editor, *New Departures*,
29c Colville Terrace, W11.
November 28.

Clash of symbols

From Mr J. E. Blackwell

Sir, Your article on the significance of the double-headed eagle ("Russia's clash of symbols", November 26) does not probe far back enough into history. This symbol is not simply a product of the "late Roman Empire"; it goes back at least to the Hittites.

On a recent trip to Turkey, I visited the site of Alaca Hüyük in Anatolia, and there, on a 14th-century stone gateway, I saw a large, carved, double-headed eagle with its prey in the talons of both feet. It looked so much like the symbols of this kind in current use that one member of our party exclaimed: "Look, two small businessmen in the grip of Barclay's Bank!"

Yours faithfully,
EDWARD BLACKWELL,
Twin Oaks, 3 Prestbury Road,
Wilmslow, Cheshire.
November 26.

Rare sighting

From the Reverend P. M. Hickley

Sir, The world, and the RSPB, should be told that here in Britain's second city we have probably achieved another first. A sign in Corporation Street proudly announces: "Humped pelican crossing."

Yours faithfully,
MICHAEL HICKLEY,
372 Heath Road South,
Northfield, Birmingham 31.

COURT CIRCULAR

BUCKINGHAM PALACE
November 30: The Queen held an Investiture at Buckingham Palace this morning.

President and Mrs George Bush were invited to Luncheon with The Queen and The Duke of Edinburgh.

Her Majesty invested President Bush with the Insignia of an Honorary Knight Grand Cross of the Most Honourable Order of the Bath.

The Rt Hon John Major, MP (Prime Minister and First Lord of the Treasury) had an audience of The Queen this evening.

The Duke of Edinburgh, President, the Institute of Sports Sponsorship, this evening gave a Reception at Buckingham Palace to celebrate the Sportsmatch Scheme.

Mrs John Dugdale has succeeded the Hon Mary Morrison as Lady in Waiting to Her Majesty.

BUCKINGHAM PALACE
November 30: The Princess Royal, President, the Royal Smithfield Club, today attended the Royal Smithfield Show, Earls Court Exhibition Centre, Warwick Road, London SW5.

Mrs Andrew Feilden was in attendance.

CLARENCE HOUSE
November 30: Captain T W Loughran, Royal Navy, Commanding Officer, HMS Ark Royal, today had the honour of being received by Queen Elizabeth The Queen Mother.

ST JAMES'S PALACE
November 30: The Prince of Wales this morning visited Gwent and was received by Her Majesty's Lord Lieutenant (Mr Richard Hanbury-Tenison).

His Royal Highness, President, The Prince's Trust, held a meeting for volunteers in Wales.

The Prince of Wales afterwards visited members of Gwent Constabulary at Newport Central Police Station.

His Royal Highness, Chairman, The Prince of Wales' Committee, later presented The Prince of Wales' Awards at the Miners' Institute, Blackwood.

The Prince of Wales, Chancellor, the University of Wales, this afternoon attended the University's Centenary Congregation at St David's Hall to present a number of Honorary Degrees, followed by the Centenary Banquet this evening at Cardiff City Hall and was received by Her Majesty's Lord Lieutenant for South Glamorgan (Captain Norman Lloyd-Edwards, RNR).

Mr Stephen Lamport was in attendance.

KENSINGTON PALACE
November 30: The Princess of Wales, President, the General Council and Register of Osteopaths, this evening attended a Reception at Kensington Palace.

KENSINGTON PALACE
November 30: The Princess Margaret, Countess of Snowdon, Patron, the Migraine Trust, this evening visited the London Neurological Centre, 110 Harley Street, W1.

Her Royal Highness then attended a Reception for the Trustees at the Medical Society of London, 11 Chandos Street, W1.

Mrs Jane Stevens was in attendance.

KENSINGTON PALACE
November 30: The Duke of Gloucester, President, NABC — Clubs for Young People, today visited Clubs in Middlesex.

Major Nicholas Barne was in attendance.

YORK HOUSE
ST JAMES'S PALACE
November 30: The Duke of Kent, Trustee, the Science Museum, this morning attended a Trustees' Meeting at Exhibition Road, London SW7.

His Royal Highness, Patron, the Hanover Band, this evening attended a concert at the Victoria and Albert Museum, London SW7.

Commander Roger Walker, RN, was in attendance.

The Duchess of Kent, Honorary Founder, The Queen Alia Jordan Social Welfare Fund, this morning attended a Seminar at London House, Mecklenburgh Square, London WC1.

Mrs Colin Marsh was in attendance.

THATCHED HOUSE LODGE
RICHMOND PARK
November 30: Princess Alexandra, President, this afternoon received Mr J M K Laing, Chairman of WWF UK (World Wide Fund for Nature) and Dr R A Pellew, on his appointment as Director.

Her Royal Highness and the Hon Sir Angus Ogilvy this evening attended a Concert and Dinner in aid of Toynbee Hall at St James's Palace, London SW1.

Rear Admiral Sir John Garnier was in attendance.

Royal engagements

The Queen, accompanied by the Duke of Edinburgh, will open the new headquarters of the London Chamber of Commerce and Industry in Queen Street, W1, at 2.45.

The Duke of Edinburgh will visit Giles, A 50 Years Celebration, at the National Museum of Cartoon Art at 10.00; and, as senior fellow, will present the Royal Academy of Engineering MacRobert award at the Science Museum at 11.15.

Queen Elizabeth The Queen Mother will visit the Royal Smithfield show at Earls Court at 11.45.

The Prince of Wales, as Patron of The Royal Opera, will attend a gala performance at the Royal Opera House at 7.25 in aid of the Royal Opera House Trust.

The Princess of Wales, as Patron of the National AIDS Trust, will attend the *Symphony of Hope* at Wembley Arena at 7.45 to mark World AIDS Day.

The Princess Royal, as Colonel-in-Chief, the Royal Logistic Corps, will visit the postal and courier depot at Mill Hill at 11.10; as Chancellor of London University, will open the new day case unit, Institute of Dental Surgery/Eastman dental hospital at 256 Gray's Inn Road at 3.00. Later, as Upper Warden of the Woolmen's Company, will attend a court and ladies dinner at Haberdashers' Hall at 7.00.

The Duke of Gloucester will visit Interbuild, the international building and construction exhibition, at the National Exhibition Centre, Birmingham, at 12.10.

The Duchess of Gloucester, as Patron of the AFASIC, overcoming speech impairments, will attend a reception at St James's Palace at 7.10 to mark the association's 25th anniversary.

The Duke of Kent will attend a performance of *Sunset Boulevard* at the Adelphi Theatre at 7.50 in aid of the Army Benevolent Fund.

Princess Alexandra will present the Prayer Book Society's Cranmer awards at the Church of St James Garlickhythe at 11.25; and will present the 1993 trophies of the Torch Trophy Trust at Simpson (Piccadilly), at 6.25.

Guide to the night sky in December

By Michael J Hendrie, Astronomy Correspondent

MERCURY is a morning star until the end of the year and the -0.6 magnitude planet might be visible during the first few days of the month low down in the southeast soon after dawn.

Venus is closer to the Sun than Mercury but being -3.8 magnitude should be easier to see low in the southeast; but like Mercury it will rise only minutes before the Sun by the 31st. The very thin crescent Moon will be above Venus on the 11th and 12th.

Mars will be in conjunction with the Sun on the 27th and then becomes a morning star but will be too close to the Sun for observation.

Jupiter passes from Virgo into Libra during the month, the -1.8 magnitude planet rising by 03h late in the month. Crescent Moon to the south on the 10th.

Saturn moves eastwards from Capricornus into Aquarius, the 0.8 magnitude planet setting by 20h on the 31st. Crescent Moon to the north on the 17th/18th.

Uranus and Neptune are in Sagittarius, setting by 17h late in December.

The Moon: last quarter, 6d 16h; new moon, 13d 09h; first quarter, 20d 22h, full moon, 28d 23h.

Sunset on the 1st is at 15h 50m and on the 31st at 16h 00m while sunrise is at 07h 45m and 08h 08m on the same dates. Astronomical Twilight ends at 17h 55m and 18h 05m early and late in the month and begins again at 05h 45m and 06h 05m.

The winter solstice, when the Sun reaches its most southerly declination, is at 21d 20h.

Algol, the variable star in Perseus, fades from 2.1 to 3.4 magnitude every 69 hours. It is high in the southern sky during December evenings and can be seen when faintest about the following times this month: 13d 03h, 16d 00h and 18d 20h.

Some stars appear to vary their brightness over hours, days oryears while others show no appreciable change over hundreds of years. Those like Algol that repeat their cycle of changes in a fixed time are called "regular" variables while those that follow a less predictable pattern are "irregular". The red star Betelgeuse in Orion is slightly and irregularly variable.

A star may change its brightness in a regular way because it is pulsating (Delta Cephei is of this type) or because another star is periodically preventing some of the star's light from reaching us, as in the case of Algol. Where the variation is due to the single star itself it is said to be an "intrinsic" variable, and when due to a second darker star interposing, an "eclipsing" variable.

The extent of the reduction in brightness of a binary star depends, among other things, on the relative sizes and brightnesses of the two stars that are revolving around each other. There are many double star systems where the stars are far enough apart to be seen individually in the telescope. Generally these have periods of revolution of tens of hundreds of years and not a few days like the eclipsing binaries.

In the case of Algol there are actually two dips in brightness, one when the faint star passes in front of the bright one (reducing the brightness by 1.3 mag.) and another when it passes behind the bright one (a reduction of only 0.06 magnitude and too small to have been observed visually but found in 1920 with the photo-electric cell).

In a binary star system with a period as short as 69 hours the stars are much too close together to be seen separately in the telescope. A spectrograph attached to a large telescope shows a single spectrum for the two stars as their light cannot be separated but small changes take place as the stars alternately move towards and away from the Earth enabling the two stars to be studied. A great deal can be deduced from prolonged observation of these small changes in the appearance of the spectrum, taken at different stages of each period as the stars revolve about each other.

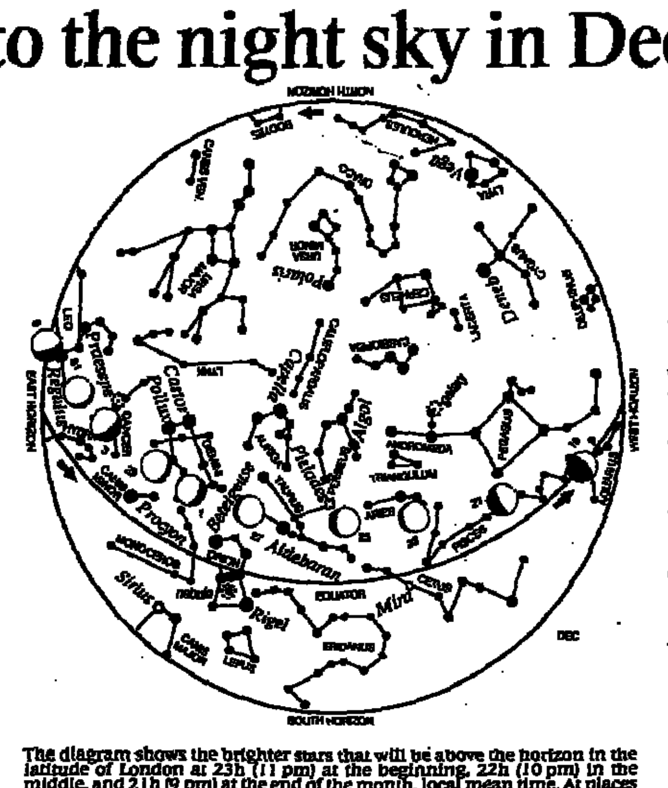
Much has been discovered since John Goodricke first studied Algol in 1782 and determined the period to be 69 hours.

The Geminids meteor shower peaks on the night of the 13th/14th and as the Moon is new on the 13th, only cloudy skies can spoil a good show of shooting stars. They give a regular annual disply, often exceeding the August Perseids in numbers.

The radiant from which the meteors agpear to come is near the bright star Castor in the constellation Gemini from which the shower takes its name. Once the readiant is well clear of the horizon, an average of one a minute may be seen on the night of maximum activity, given a dark transparent sky and no moonlight.

The Germinids produce a fair proportion of bright meteors so some interference from artificial lights, mist or thin cloud should not hide them all, though it will obscure the fainter ones.

The Times month-by-month guide to the night sky in 1994 is now available from bookshops at £3.50 (also available by post from: Mrs Wales, HarperCollins Publishers, PO Box, Glasgow, C4 0NB. Tel: 041 772 3200).



The diagram shows the brighter stars that will be above the horizon in the latitude of London at 23h (11 pm) at the beginning, 22h (10 pm) in the middle, and 21h (9 pm) at the end of the month, local mean time. At places away from the Greenwich meridian the Greenwich times at which the diagram applies are later than the above by one hour for each 15 deg west of Greenwich and earlier by a like amount if the place be east. The map should be turned so that the horizon the observer is facing (shown by the words around the circle) is at the bottom, the zenith being at the centre. Greenwich Mean Time, known to astronomers as Universal Time and expressed in 24-hour notation, is used in the accompanying notes.

Birthdays today

Mr John Aldridge, orthopaedic surgeon, 51; Mr Woody Allen, actor and director, 58; Professor Norman Browse, president, Royal College of Surgeons, 62; Mr Anthony Coe, chief constable, Suffolk, 52; Mr Gordon Crosse, composer, 56; Mr. Mike Denness, cricketer, 53; Miss Eva Evdokimova, prima ballerina, 45; Lord Glenconner, 67; Dame Alicia Markova, prima ballerina, 83; Mr Keith Michell, actor, 65; Miss Bette Midler, singer and actress, 48; Sir William Pile, civil servant, 74; Mr Stephen Poliakoff, playwright, 41; Mr Richard Pryor, actor, 53; Major-General Sir Desmond Rice, 69; Mr Andy Ripley, rugby player, 46; Lord Roll of Ipsden, 86; Mr G.D. Squibb, QC, Norfolk Herald Extraordinary, 87; Mr Lee Trevino, golfer, 54; Baroness Willoughby de Eresby, 59.

Receptions

HM Government
Mr Ian Lang, Secretary of State for Scotland, was host yesterday at a reception held at Dover House, Whitehall, to mark the visit to London of the Right Rev Dr James L. Weatherhead, Moderator of the General Assembly of the Church of Scotland.

The Duke of Westminster
The Duke of Westminster, President of Arthritis Care, was the host at a reception, held at his home, Eaton Park, Eccleston, Chester, yesterday to mark the first presentation of the Duke of Westminster's Award for Professional Services to people with arthritis.

Memorial services

Mr Ivor Bulmer-Thomas
The Prime Minister and the Chairman of the Conservative Party were represented by Sir Jerry Wiggin, MP, at a memorial service for Mr Ivor Bulmer-Thomas held yesterday at St John's Smith Square. The Rev John Paul officiated and read the lesson. Miss Catherine Walker, granddaughter, read from *Dilysia: a threnody*. Mr Mungo Wilson, grandson, read from A.E. Housman's *A Shropshire Lad* and Lord Bridges, Chairman of the British-Italian Society, read from *La Divina Commedia* by Dante. The Marquess of Anglesey gave an address. The Bishop of London was represented by the Archdeacon of London. Among others present were:

Mrs Bulmer-Thomas (widow), Mr and Mrs Michael Walker and Mr and Mrs Victor Bulmer-Thomas (sons and daughters-in-law), Mr and Mrs Hugo Patten and Mr and Mrs Richard Wilson (sons-in-law and daughters), Miss Phillida Walker, Mr Andrew Patten, Mr Inigo Patten, Mr Piers Patten, Miss Anna Wilson, Mr Hadrian Bulmer-Thomas and Rupert and Bianca Bulmer-Thomas (grandchildren), Mr and Mrs Warren Cantelo, Mr Michael Cantelo, Mr and Mrs Giles Bulmer, Mr Mark Ritner, Mr Esmond Bulmer, Mr and Mrs Oliver Bulmer, Mr and Mrs Nigel Bulmer, Mr Edward Bulmer, Mr Mark Bulmer, Mr Sebastian Bulmer, Mr and Mrs John Bulmer.

The Marchioness of Anglesey, Lady Sandford, Lady Rees-Mogg, Lady Bridges, Lord and Lady Mayhew, Lady de Freitas, the Hon Mrs M K Geddes, Dame Jennifer Jenkins, Lady Wiggin, the Rev Sir Derek Pattinson (Society of the Faith), Sir Edward Ford, Lady (Sydney) Caine, Sir Duncan Oppenheim, Lady Farrer (Nonesuch Orchestra), Sir John Smith, Mr Roger Evans, MP, Canon Professor J R Porter, Mr Peter Foster, Mr T A Bailey, Mr and Mrs D G Corble, Mrs A Royalton Kisch, Mr and Mrs Philip Astley, Mr and Mrs Peter J Prior, Professor G Meirion-Jones, Mrs Christina Harrod, Mrs John Paul, Mr Anthony Barnes, Mr and Mrs David Lloyd-Johns, Mr and Mrs Benedict Thompson-McCausland, Mr and Mrs Roger Cooke, Mr Paul Gray, Miss Hermione Hobhouse.

Professor Frank Llewellyn-Jones (University of Wales), Professor A F L Beeston (representing the President and Fellows, St John's College, Oxford), Mr P Venning (Society for the Protection of Ancient Buildings), Dr Ronald Brunskill (Ancient Monuments Society) and Mrs Brunskill, Mr Douglas Hogg (Welsh Historic Monuments), Mr Roger Wools (Architectural Heritage Fund), Mr Robin Davies (Anglican Society).

Mr Michael Gillingham (chairman, Advisory Board for Redundant Churches) with Mr John Bowles (Redundant Churches Fund) and Mrs Bowles; Miss Marjorie Price (City Deanery Synod), Mr Brian D Cuthbertson (London Diocesan Advisory Committee for the Care of Churches), Captain Roger Heptinstall, RN, and Mr Ian D Adam (Historic Churches Preservation Trust), Mr Matthew Saunders (Friends of Friendless Churches), Mr Donald Findlay (Council for the Care of Churches).

Mrs R W Lycett Green (representing the president, Norfolk Churches Trust), Mr W Rowan Hare (Norwich Historic Churches Trust), Miss E Murray (Friends of Christ Church, Spitalfields), Mr J F Griffiths (Friends of St Michael's, Derby), Mr Leslie Lloyd (Friends of Tuxlith Chapel, Milland, West Sussex), Mr Jonathan Martin (St Mary's, Sandwich), Mr James Kingswell (representing the editor, *Church Building*), Mr Walter Mandelsson (Monumental Brass Society), Mr Robert Gold (Castle Baynard Ward Club), Mr Jeremy Benson (Joint committee, National Amenities Societies) and the Master of the Society of Apothecaries of London.

Sir John Moores
The Lord Lieutenant of Merseyside attended a service of thanksgiving for the life of Sir John Moores held yesterday in Liverpool Cathedral. The Very Rev Derrick Walters, Dean of Liverpool, officiated.

The Right Rev David Sheppard, Bishop of Liverpool, led the bidding and pronounced the blessing. The Most Rev Derek Worlock, Archbishop of Liverpool, and the Rev Dr John Newton, Free Church Moderator, Merseyside and Region, said prayers. Lady Grantchester and Mrs Paddy Stubbs, daughters, read the lessons. Mr John Moores, son, gave an address.

The High Sheriff of Merseyside, the Lord Mayor of Liverpool, the Mayor of Wirral, the Mayor of Sefton, the Leader of Liverpool City Council, the Chairman and Group Chief Executive of Littlewoods and representatives of John Moores University, Liverpool University and Everton and Liverpool football clubs were present.

Colonel George Kidston-Montgomerie of Southannan
A Service of Thanksgiving for the life of Colonel George Kidston-Montgomerie of Southannan, DSO, MC, DL, will be held in the Chapel of the Royal Hospital Chelsea, London, on Tuesday, December 7, at 2.30pm.

Dinners

Caledonian Club
Lord Ramsay, President of the Caledonian Club, presided at the annual St Andrew's Day dinner held last night at the club. Sir Alistair Grant was the guest of honour.

United and Cecil Club
Mr Sydney Chapman, MP, was host to the United and Cecil Club at a dinner held last night at the House of Commons. Sir Marcus Fox, MP, chairman, presided. Mr Richard Ryder, MP, was the principal guest and speaker. Miss Kay Clark also spoke.

Consular Corps of London
Vice-Admiral Sir James Weatherall, Marshal of the Diplomatic Corps, was the guest of honour at the annual Christmas dinner of the Consular Corps of London held last night at the Hyatt Carlton Tower hotel. Mr Willie S. Wilder, president, was in the chair.

European-Atlantic Group
The Romanian Ambassador was the speaker at a dinner of the European-Atlantic Group held last night at the St Stephen's Club after a meeting held at the House of Commons. Mr Peter Temple-Morris, MP, a vice-chairman, presided at the meeting and Viscount Montgomery of Alamein, chairman, presided at the dinner discussion. Sir Frank Roberts and Miss Joyce Quin, MP, also spoke.

Farmers Club
Mr John Nicholson, Chairman of the Farmers Club, presided at a dinner held last night at Grosvenor House to mark the anniversary of the founding of the club. Mr Rupert Pennant-Rae and Mr Raymond Monbiot also spoke.

The University of Liverpool

Sir Alastair Pilkington, FRS, President of Pilkington plc, has been elected to the office of Chancellor of the University of Liverpool, with effect from January 1, 1994. Sir Alastair will succeed the Right Hon Philip William Bryce Lever, KG, TD, third Viscount Leverhulme, who has held the office of Chancellor since 1980.

Memorial service

Professor William W. Mushin
A Memorial Service for Professor William W. Mushin, CBE, Past Dean of the Board of the Faculty of Anaesthetists of the Royal College of Surgeons of England, will be held at the West London Synagogue, Upper Berkeley Street, on Wednesday, December 15, 1993, at noon.

The Chief Executive of the Royal College of Anaesthetists, 48/49 Russell Square, London, WC1B 4JY, will be pleased to let friends who intend to be present have further details of the arrangements.

Eton College

The Provost and Fellows have appointed Mr John Lewis, Head Master of Geelong Grammar School, Australia, to succeed Dr Eric Anderson as Head Master of Eton College from the Autumn of 1994.

Latest wills

Sir Edward Joseph Philip Brown, of Enfield, north London, Conservative MP for Bath 1964-79, left estate valued at £127,208 net.

Forthcoming marriages

Mr R.L. Bamford and Miss P.M. Shone
The engagement is announced between Reginald, son of Mr and Mrs Brian Bamford, of Cape Town, South Africa, and Penelope, daughter of Mr and Mrs David Shone, of Willaston, South Wirral.

Major General L.F.H. Busk and Professor S.G. Haworth
The engagement is announced, and the marriage will take place shortly between Leslie Busk and Glennis Haworth, widow of Professor Timothy J. McElwain.

Mr S.A. Button and Miss J.C. Proctor
The engagement is announced between Simon, elder son of Mr and Mrs Ronald Button, of Woodford Green, Essex, and Justine, daughter of the late Mr Alan C. Proctor and of Mrs Patricia Proctor, of Roydon, Essex.

Mr J.J. Fisher and Miss C.M.O. Parker
The engagement is announced between Jeremy, son of Colonel and Mrs A.J. Fisher, of 16 Kings Road, St Mawes, Cornwall, and Claire, younger daughter of Mr and Mrs C.W.O. Parker, of Faulkbourne Hall, Witham, Essex.

Mr N.J. Hall and Miss S.E. Pritchard
The engagement is announced between Niall, elder son of Mr and Mrs Stephen Hall, of The Maltings, Little Waldingfield, Sudbury, Suffolk, and Siwan, younger daughter of Mr Alon Pritchard, of Menai Bridge, Anglesey, and Mrs John de Leyland-Berry, of 1 Victoria Terrace, Beaumaris, Anglesey.

Mr A.G. Heywood and Miss E.M. Marley
The engagement is announced between Alexander George, younger son of Mr and Mrs C.J. Heywood, of Wimbledon, and Elaine Margaret, daughter of Mr and Mrs P.D. Marley, of Cranbrook, Kent.

Mr T.R.N. Hollidge and Miss J.H. Clark
The engagement is announced between Tim, son of Mr and Mrs David Hollidge, of Walton-on-Thames, Surrey, and Judy, daughter of Mr and Mrs Tom Clark, of Haslemere, Surrey.

Mr M.R.J. Shannon and Miss T.R.E. Horsfall
The engagement is announced between Michael, son of Dr and Mrs R.W.E. Shannon, of Reigate, Surrey, and Tarn, daughter of Mr and Mrs T.E.S. Horsfall, of Redhill, Surrey.

Mr J.H. Shedden and Miss A.J. Charters
The engagement is announced between John Shedden, currently of Emsworth, Hampshire, middle son of Mr and Mrs A Shedden, of Kirkcaldy, Fife, and Mandy Charters, formerly of Los Angeles, California, only daughter of Mr and Mrs W.D. Charters, of Kelso, Roxburghshire.

Luncheon

English-Speaking Union
Mr David Thorp, Director-General of the English-Speaking Union of the Commonwealth, and Mrs Valerie Mitchell, deputy director-general, received the guests at a literary luncheon held yesterday at Dartmouth House. Mr Philip Ziegler was the guest of honour and speaker. Mr Anthony Westnedge, deputy chairman, presided, and the Hon Gerard Noel also spoke.

Dwell in me as I in you. No branch can bear fruit by itself, but only if it remaind united with the vine; no more can you bear fruit unless you remain united with me.
St. John 15:4 (REB)

ACKNOWLEDGEMENTS

ST. CLAIR - James Frank, Ex-paratrooper (Coup-de-Main) Pegasus Bridge, Normandy Landings. Passed away 20th November aged 71 years. Family wish to thank all family and friends who attended his funeral at Buckingham Road Cemetery on Monday 29th November.

BIRTHS

CLARKE - On November 30th at the Wellington Hospital, to Deborah Morris, wife of Giles Clarke, a son, Theo William Morris Clarke, a brother for Imogen.

CLARK - On 28th October 1993, to Simon and Caroline, a son, Guy Louis Thorburn Hockenhull, a brother for Oliver.

COLEMAN - On November 25th at The Portland Hospital, to Margot (née Fitzpatrick) and Jonathan, a beautiful son, Oscar Benjamin Jonathan. Thank you Mr Armstrong and staff.

FREEMAN - On November 19th 1993, to Susanna (née Hamilton) and Richard, a daughter, Gabriella Eve Hamilton.

FREEMAN/DORNONVILLE DE LA COUR - On Friday 19th November 1993, to Simon and Annette, a daughter, Amelia Mona.

GARTHWAITE - On 27th November 1993, at Royal Surrey Hospital, Guildford, to Claire (née Gordon) and James, a son Thomas James.

HOOLEY - On Sunday 28th November at The Rosie [illegible]

[illegible]

BIRTHS

ROBINSON - On November 25th 1993, to Elisabeth (née Goldbach) and William, a son, Edward William Henry, a brother for Harriet.

RUSSELL - On November 23rd, to Tim and Victoria (née Chapman), a son, Samuel Leo.

TIETZ - To David and Michèle, a daughter, Audrey Aroha on 27th November in 36.55S, 174.47E, New Zealand.

TODD - On 22nd November to Carole (née Bambrough) and Julian, a son, George Julian.

WHITAKER - On November 23rd, to Nicola and Charles, a son, George.

DEATHS

ANDREWS - Dennis Philip. Suddenly at Keele on 23rd November, dear husband and father. Funeral Service at St John's Church, Keele, on Friday 3rd December at 3pm. No flowers please, but donations to Romanian Orphanage Trust, 4th Floor, Imperial House, Queen Victoria Street, London EC4N 4SS or Save the Children.

BAILLIE - On November 27th, at Queen's House, Kelso, Frances (Fanny), wife of the late Alexander Gucewicz, mother of Richard and Hubert and grandmother of Alexander, Edward, Charlotte and James. Funeral Mass at High Cross Church, Melrose, on Friday 3rd December at 2 pm. [illegible]

[illegible]

DEATHS

BIGNAL - On November 28th 1993, James Edwin, aged 86, peacefully at Lord Harris Court, beloved husband of the late 'Bobbie' and splendid father of Christopher. A very special person to so many people, he will be greatly missed. Private funeral. Family flowers only, please. Donations if desired to BRONT, c/o A.B. Walker & Son Ltd., 36 Eldon Road, Reading. A Memorial Service has been arranged at The Berkshire Masonic Centre, Sindlesham, on Tuesday February 8th 1994 at 3 pm.

CAULFIELD - Francis Christopher on 24th November 1993. Funeral on Friday 3rd December at St Winefride's Church, Leyborne Park, Kew. Music at 11.30 am. Mass at noon, followed by burial at Richmond Cemetery.

CHAPMAN - On 29th November 1993 in Alton, Mary, widow of Aubrey Chapman, mother of Ann and Margaret. Private cremation. Thanksgiving Service at Holybourne Church, nr. Alton, on Monday 6th December at 3.45 pm. No flowers please. Donations if desired to The British Heart Foundation or Imperial Cancer Research Fund c/o Kemp & Stevens, 93 High Street, Alton, Hants. Enquiries: (0420) 83177.

COPE - On November 29th 1993, peacefully, Molly, widow of Bertie, dearly loved mother of Jennifer and Veronica and much loved grandmother. Funeral Service at South Holmwood Church, Dorking, on Monday December 6th at 11.30 am. No flowers. Donations if desired to The Rainbow Trust, Eastwick Drive, Great Bookham.

DE LOTBINIERE - Mona, peacefully at home on 28th [illegible]

[illegible]

DEATHS

GAGE [illegible]

HOUNSELL [illegible]

JONES [illegible]

JORDAN [illegible]

LOTERY [illegible]

KELLY [illegible]

DEATHS

KITSON [illegible]

LAING [illegible]

LONGLAND [illegible]

MACDONALD [illegible]

DEATHS

MACNAIR [illegible]

MANN [illegible]

MARR [illegible]

McCOWEN [illegible]

MESSENGER [illegible]

O'BOYLE [illegible]

DEATHS

O'MALLEY [illegible]

OSWALD [illegible]

PICKFORD [illegible]

POTTER [illegible]

POWER [illegible]

SQUIRE [illegible]

DEATHS

SWINSTEAD [illegible]

MEMORIAL SERVICES

CORBETT [illegible]

IN MEMORIAM - WAR

STANLEY [illegible]

STRAUSS [illegible]

IN MEMORIAM - PRIVATE

AGAR [illegible]

HULSE [illegible]

IN MEMORIAM-PRIVATE

KENT [illegible]

ANNOUNCEMENTS

[illegible]

FLATSHARE

[illegible]

FLATSHARE

[illegible]

FOR SALE

[illegible]

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HOUSEHOLD CONTENTS

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OBITUARIES

AIR MARSHAL SIR HARRY BURTON

Air Marshal Sir Harry Burton, KCB, CBE, DSO, Air Officer Commanding-in-Chief, Air Support Command, 1970-73, died on November 29 aged 74. He was born on May 2, 1919.

SHOT down on a bombing raid over Germany in September 1940, Harry Burton became the first officer in any of the services to make it back home to Britain after escaping from a prisoner of war camp in Germany. It was one of the most resolute escape attempts of the war, the more remarkable for being achieved by a man who was already weakened by five days of solitary confinement — a punishment for a previous escape attempt.

Born at Rutherglen, Lanarkshire, and educated at Glasgow High School, Harry Burton joined the RAF in 1937. After learning to fly at No 10 Flying Training school he was, in 1938, posted to his first bomber squadron, No 215. This was at that time equipped with the Handley Page Harrow, an obsolete, unwieldy high-wing bomber with a fixed undercarriage, whose top speed of less than 200mph would have made it an easy victim for the German fighters of the era, had war broken out earlier.

When Burton did eventually go to war as a bomber pilot, he was lucky enough to have been transferred to 149 Squadron, flying the Barnes Wallis designed Vickers Wellington. This aircraft was the RAF's only bomber capable of delivering a meaningful punch in September 1939. Engaged in the air battle from the very first day of the war, No 149 was thereafter involved in some desperate early raids, as Bomber Command did its best to comply with the idiotic rules of engagement laid down by the Chamberlain war cabinet, ie, not to release bombs over enemy territory if they risked "damaging private property" or endangering civilian life. This meant, for example, that warships in harbour could not be attacked because dockyard workers might be killed. Thus, on several occasions No 149 had to run a hundred-mile gauntlet of fighters and endure a storm of *flak* over heavily defended targets like Heligoland and Wilhelmshaven, only to be ordered to return home with their bomb loads, rather than risk irritating the enemy.

As soon as Churchill took over the helm of government in May 1940 such suicidal (and for the pilots demoralising) "non-agression" raids were consigned to the dustbin. With the German Blitzkrieg overrunning the Low Countries and Italy threatening war, Burton and 149 Squadron were sent to the south of France with a view to attacking industrial targets in Genoa. France's speedy collapse in June allowed only one of these raids to take place and Burton's squadron was ordered home to Britain.

The next priority was attacks on Germany itself, and it was on one such raid, in September 1940, that Burton's luck ran out and he was shot down over occupied Belgium.

Taken prisoner, he was sent with other captive RAF men by train to Stalag Luft I near the Baltic coast of Germany. Railway maps prised from German carriages during this journey were later to prove useful when it came to escaping. Burton made his first attempt in May the following year, but was caught installing air pumping gear for the get-away tunnel. As a punishment he was sentenced to ten days' solitary confinement during which he had only two bars of chocolate to sustain him. However, after five days of solitary he determined to make another attempt to get out and, with a table knife he had hidden in his battledress blouse, he was able to loosen the bars of his cell.

Burrowing out of the camp with the help of his knife, and avoiding patrolling Alsatians on the perimeter, he hid himself in woods by night until the hue and cry had died down and then found a railway line which he calculated must lead to one of the Baltic ports. Walking by night and hiding by day he eventually reached the coastal town of Sassnitz, where he hoped to sneak aboard the ferry to Sweden.

However, the vessel was heavily guarded, so, noticing a freight train standing at a distance, as if waiting to be embarked, he crawled beneath it and clung to the underside of one of the wagons. The van he had selected turned out to be a mail car carrying letters and packets intended for Swedish destinations, and in due course it was shunted aboard the Swedish ship. Burton was taken to Trelleborg and on to Stockholm from where he was eventually flown home. He was the first escaped PoW to arrive back in Britain. It was a remarkable feat but remains among the less loudly trumpeted wartime escapes. Burton was awarded the DSO for it, and in acknowledgement of the wealth of useful intelligence he had been able to bring with him about a typical German prison camp layout and interrogation methods.

Although he did not fly on bombing operations again, it was by no means the end of Burton's war. From October 1941 he was on the operations staff at 41 Group and he then spent two years with Transport Command. Early in 1945 he was posted to Burma where he commanded a squadron of Dakota transport aircraft engaged in the important work of supplying General William Slim's 14th Army by air, as it advanced through the jungles towards Rangoon.

After the war he continued to be involved with bombers into the jet age. From 1960 to 1962 he commanded RAF Scampton (from where the Dambusters' raid had been launched in 1943, but in the 1960s a V-Bomber base). In 1962 he was deputy commander of a force of three Vulcans which went out to Australia to stage fly-pasts for the opening and closing ceremonies at the Commonwealth Games held at Perth that year.

Among subsequent appointments was one involving nuclear strategy at SHAPE, 1965-67, and command of 23 Group, Flying Training Command, 1967-70. He was made AOC-in-C Support Command in 1970 and retired after three years in 1973. In retirement he continued active in the affairs of his service. He was, among other things, a member of the council of the RAF Benevolent Fund and he chaired the committee which raised the money to commission the statue of "Bomber" Harris which was erected in front of the RAF church, St Clement Danes, in London.

His first wife Jean, whom he married in 1945, died in 1987. He married, in 1988, Sandra Robertson, daughter of Thomas McGlashan. She survives him with the son and daughter of his first marriage.

SIR JOHN STALLWORTHY

Sir John Stallworthy, Nuffield Professor of Obstetrics and Gynaecology at Oxford University, 1967-73, died on November 19 aged 87. He was born on July 26, 1906.

JOHN STALLWORTHY was a man of Christian convictions, firm of purpose and reliable in judgment. He was an outstandingly humane doctor, a surgeon of the very greatest skill and a memorable teacher. Born in New Zealand, and educated there and in Australia, he did not land in England until he was 28, working as a gynaecologist first in London and then at Oxford.

Stallworthy's arrival in Oxford in 1937 coincided with a moment when Lord Nuffield's generous benefactions had already caused remarkable changes in the Oxford medical scene. The second world war gave further impetus to medical developments outside London, and particularly at Oxford. By then Stallworthy had become a member of the consulting staff at the Radcliffe. He seized his opportunity, worked tirelessly in the wards and operating theatres, setting a great pace and promoting the highest clinical standards. Increasingly he became involved in planning, for he was a most persuasive and formidable committee man.

In 1948 Stallworthy established the Area Department of Obstetrics and Gynaecology at Oxford, and was responsible for organising an integrated obstetric service over a very wide area, which was, in many ways, a model development. Stallworthy was particularly proud of "the flying squad" which brought expert skill and increased safety to women confined outside the main centres.

He was a consultant in great demand, and patients had immense confidence in his wisdom and skill. His physical stamina was remarkable and he never spared himself, devoting long hours at night to difficult midwifery problems. He was, by day, punctilious and seemingly tireless in the operating theatres and outpatient clinics. It was a self-imposed discipline, exemplary and contagious, and the very essence of his remarkable clinical success.

Stallworthy gave of his best to the Royal College of Obstetricians and Gynaecologists, serving on its council for 15 years. In 1964 he was elected Sims Black Professor, later becoming vice-president.

In 1967 Stallworthy w s appointed Nuffield Profes- -r of Obstetrics and Gynae io- gy at Oxford and a fellow of Oriel College. His strong clinical interest continued, and he also developed and supported a very great deal of academic research. He became president of the Medical Protection Society in 1970, having long been interested in its affairs. He was president of the Royal Society of Medicine from 1973 until 1975 — holding the same post again from 1980 until 1982, when the large redevelopment of the society's premises was completed, thus becoming the only person ever to be elected to that office twice since the foundation of its immediate precursor in 1805. He was also president of the British Medical Association in 1975 and 1976. He was knighted in 1972.

Many of the influences that marked him for life derived from his New Zealand home. John Arthur Stallworthy was born of missionary stock. His father, a newspaper proprietor, was at one time New Zealand Minister of Health. In his early home the ideals of service and enterprise were promoted and valued. Stallworthy's progress through school and university at Otago was marked by distinction in games and scholarship. He was a tennis Blue, and Gold Medallist at Otago Medical School. He won a travelling scholarship to Melbourne where he gained postgraduate experience. In 1934, with his young wife, he sailed to England, and he always considered himself fortunate to have worked at the Chelsea Hospital for Women under Victor Bonney. In later years it gave Stallworthy great pleasure to be a joint author of Bonney's text book of operative gynaecology. This involved a great deal of work but it was a labour of love, and he was punctilious always to pay tribute and to continue the text book in the style of its distinguished author.

At Oxford, Stallworthy attracted students from the entire British Commonwealth, from America and the non-aligned countries. He stirred these students to produce their best work and gained their affection and loyalty. He was always assiduous to promote opportunities and he delighted in their successes. When, in 1973, he retired from the Nuffield professorship at Oxford, they returned in great numbers to honour him. It had been said of Palmerston and it could now be said of Stallworthy that "he had disciples, he made men, he formed a school".

Stallworthy was particularly fortunate in his marriage, and was greatly appreciative of the comforts of his home where he delighted to entertain an endless procession of visitors and friends. His wife Peggy died in 1980, and Stallworthy is survived by his son, Jon, the biographer and poet, and by his twin daughters.

BRUCE TURNER

Bruce Turner, jazz clarinettist and alto-saxophonist, died at his home in Newport Pagnell, Buckinghamshire, on November 28 aged 71. He was born in Saltburn, Yorkshire, on July 5, 1922.

AS A non-drinking, non-smoking vegetarian who ate large quantities of sweets, ice-creams and cakes, Bruce Turner was the complete antithesis of most people's idea of a professional jazz musician. Yet as a long-term member of the Freddy Randall and Humphrey Lyttelton bands for more than 40 years he was one of this country's most original and most respected jazz talents. He was also — in spite of a propensity for scatter-brained eccentricities — one of the few musicians to make a living entirely from jazz, without giving way to commercialism.

Turner's musical eloquence and originality defied categorisation. This led to his entry into jazz folklore when his first appearance with the Lyttelton band in Birmingham in 1953 was greeted by hordes of outraged fans waving a banner bearing the slogan: "Go home dirty bopper" simply because he was playing a saxophone. It was a time when jazz was fiercely divided into traditional and progressive camps. From the blinkered perspective of the New Orleans fans, Turner was despised as a rather dangerous modernist while the modernists regarded him contemptuously as an unmitigated troglodyte. In fact he was an early exponent of a jazz form which retained its links with the past without simply wallowing in it. This was eventually called mainstream. As a leading exponent of the style, Turner was a favoured sideman for visiting American musicians and played alongside Bill Coleman, Ben Webster, Earl Hines, Don Byas and Ray Nance.

Malcolm Bruce Turner's father was an English professor and his mother an enthusiastic amateur musician. The family lived a peripatetic existence and Turner spent some years in India as a child before attending Dulwich College. He described himself in his autobiography, *Hot Air, Cool Music* (1984), as a confused teenager, an adolescent misfit whose sense of disorientation reached its peak during an undistinguished wartime spell in the RAF.

A self-taught musician who had been introduced to jazz by his elder brother via a Duke Ellington recording, "Hot and Bothered", Turner learnt to play the clarinet by simply fumbling away for hours on end until the sound came. Trial and error showed him where to place the fingers and what lip pressure would result in the most satisfactory sound. "To say I was self-taught would be an understatement," he said. "For about three years I played only in the low register, for it took me about that long to discover the register key. As this key was situated a quarter of an inch away from the left thumb, in the playing position, you could say I was unobservant." Throughout his career his ability to read music remained minimal.

His first experience of live jazz was hearing the American tenor saxophonist Coleman Hawkins in concert in London in 1938 and he got his first chance to play publicly during the school holidays in the West Country during the early years of the war, at dances at the *St* James's Institute in Exeter. On leaving the RAF he drifted to London, worked briefly as a filing clerk at the Ministry of Food and began sitting in at the Feldman Club in Oxford Street and other jazz venues as well as playing in a variety of bands at makeshift dances.

He was fortunate to be present in the early days of the revival of interest in traditional jazz and in 1948 joined the Freddy Randall band — the leading British exponent of hard-driving Chicago-style dixieland. After two years with Randall, Turner left to work as a musician on the transatlantic liners. He used this opportunity to explore the nuances of jazz improvisation with the blind pianist and alto saxophonist and teacher, Lennie Tristano, and to study musical harmony more formally with the progressive alto-saxophonist Lee Konitz.

After two years on the liners, he returned to the Freddy Randall band, which led the Chicago style prong of the traditional jazz revival, while the Humphrey Lyttelton band led the supposedly more pure New Orleans one. Each band had its coterie of devout followers who despised the other and the New Orleans purists were outraged when Lyttelton, refusing to be confined by purist orthodoxy, brought in Turner on alto-saxophone, hence the protest in Birmingham.

After four years with Lyttelton, Turner left to form the Bruce Turner Jump Band, playing in the style of the small swing groups of the late 1930s. It was with this band that he completed a series of tours with American stars of the idiom: Coleman, Webster, Byas and Nance. But although the Jump band was an artistic success it failed commercially, partly because jazz promoters expected commercially safe tradional jazz, but partly also because of Turner's notorious inability to handle the practicalities of bandleading. (Humphrey Lyttelton was always pleasantly surprised when Turner managed to find his way successfully to a band gig without getting lost.)

When, after nine years, the Jump Band's work ran out, Turner surprised many by joining the Acker Bilk band in 1966. But by this time, in spite of its striped waistcoats and bowler hats, the Bilk band had broadened its trad jazz repertoire and was playing a fair measure of mainstream jazz.

In 1970 Humphrey Lyttelton invited Turner to return to his band saying, only half-jokingly: "Now, you remember how to get to 100 Oxford Street, don't you." He remained with the band until 1988 and it was plainly his most natural home.

Over the years his musical style had absorbed the influences of Charlie Parker and Lee Konitz as well Johnny Hodges, and Benny Carter and had matured into something which was indubitably his own. Bruce Turner is survived by his second wife, Sandy, and by two daughters from his first marriage and two from his second.

ON THIS DAY

December 1 1933

HORROR IN NEWS FILMS

LYNCHING OF A KIDNAPPER

There is now being shown in this country an American newsreel which ends with a "shot" of one of the lynched kidnappers of Mr. Hart hanging from a tree surrounded by a howling mob.

This is the latest and most horrifying manifestation of a growing tendency to sacrifice all decency to sensationalism in the presentation of news on the screen. Newsreels do not come under the jurisdiction of the British Board of Film Censors. This is not generally known, and parents taking their children to what seems an innocent programme may find themselves confronted by a scene far more terrifying than the most gruesome Grand Guignol.

In this particular film Thurmond is seen taking the police to the spot where the murder was committed. A reconstruction of the crime on the screen is slowed down so that no detail shall be missed. The unfortunate Mr. Hart is forced out of his car, struck twice on the head and then thrown into San Francisco Bay; and then comes the final photograph which brings to an end a film which should never have been shown.

It is greatly to be hoped that before long steps will be taken to safeguard the public from the exhibition of such scenes.

Mr Hoover, the former President, and 24 other prominent Californian citizens have issued a public statement deploring the recent lynching of two kidnappers at San José and strongly criticizing "the laudation of the deed" by Mr. Rolph, the Governor of the State. The Governor's action, they say, "undermines the very foundation upon which the State and all civilized society is built."

Bishop William Manning, of the Protestant Episcopal Diocese of New York, last night issued a statement denouncing the stand taken by Mr. Rolph on the San José lynchings as a betrayal of trust and an affront to the people of the nation. He did not, however, comment on the action of a prominent Episcopal clergyman in New York in telegraphing congratulations to the Governor.

The Times felt that a shot in a newsreel showing one of two lynched kidnappers hanging from a tree was an example of a growing tendency to "sacrifice all decency to sensationalism in the presentation of news on the screen."

MARYLAND LYNCHING ARRESTED MEN RELEASED

NEW YORK, NOV 30

The four men arrested last Tuesday at Princess Anne, Maryland, on a charge of having taken part in the lynching of a negro there last month were discharged late yesterday afternoon by Judge John L. Pattison, the presiding Judge of the First Judicial Circuit Court on writs of *habeas corpus*.

The judgment was given on the grounds that no warrants of arrest had been issued and that the evidence against the men was insufficient. It was greeted with loud cheering by a large crowd which had collected around the courthouse and the four men were carried away in a triumphant procession.

In a statement issued at Annapolis late last night, Mr. Ritchie, the Governor of Maryland, severely criticized the Judge's action and asserted that the evidence was "entirely sufficient" to warrant the holding of the accused.

THE TIMES TODAY

WEDNESDAY DECEMBER 1 1993

NEWS

Clarke's Budget unites Tories

■ Kenneth Clarke united his party behind a "no nonsense" Budget that imposed a fresh tax squeeze on the middle classes, made unexpectedly fierce reductions in public spending and set the goal of wiping out government borrowing by the year 2000.

Tory MPS agreed that his bold effort to curb the deficit would mean pain and unpopularity in the months ahead. Home owners, motorists, smokers and holidaymakers were in the front line as Mr Clarke further reduced mortgage tax relief and froze personal tax allowances............Pages 1, 2, 9-20

Travel and insurance to cost more

■ Air fares and package holiday prices will rise next year as a result of an air passenger duty. Household and car insurance premiums will be subject to a 3 per cent tax from next October, adding 35p a week to the average family's insurance bill.

'Irish plot foiled'

An MI5 informer told an Old Bailey jury that he uncovered an Irish terrorist group's plot to "blow those English bastards to pieces"............Page 3

Bush knighted

George Bush was made an honorary knight, joining Ronald Reagan, his White House predecessor, among a select band of foreigners who have contributed "exceptionally outstanding" services to the Queen............Page 3

Expensive welcome

South Wales police were out in force for a visit by the Prince of Wales to Cardiff a day after the local police authority appealed to the royal family to make fewer official appearances because of the cost............Page 3

Peace obstacles

A catholic workman was murdered and a policeman's home attacked as Ulster paramilitaries demonstrated the formidable obstacles facing the peace process............Page 5

Fans freed

Six Manchester United supporters were set free in Istanbul after three weeks in prison. They were arrested when United were beaten by Galatasaray after a brawl at an hotel............Page 5

Raiders attack police

A policeman was shot and a policewoman threatened with a sawn-off shotgun as they chased robbers in two raids in Cheshire and Lancashire............Page 6

Finishing in style

James Hunt, the motor racing champion who left £376,895, net, made a bequest to his brother of £5,000 for a wake "in the style he knows I would wish"............Page 6

Farm deal hope

Germany and France tried to piece together a formula that would allow Paris to sign the Blair House accord on farm exports and thus clear the way for a global agreement............Page 7

Talks in danger

The Muslim-led government of Bosnia-Herzegovina said that fresh peace talks were in danger of collapse just hours after restarting, because the Serbian team was refusing to negotiate on the basis of a European Union peace plan............Page 7

Gaza attacks

The Palestinian intifada returned with a vengeance to the slums of the Gaza Strip, erasing the last remnants of goodwill left by the peace accord between Israel and the PLO............Page 21

High Endeavour

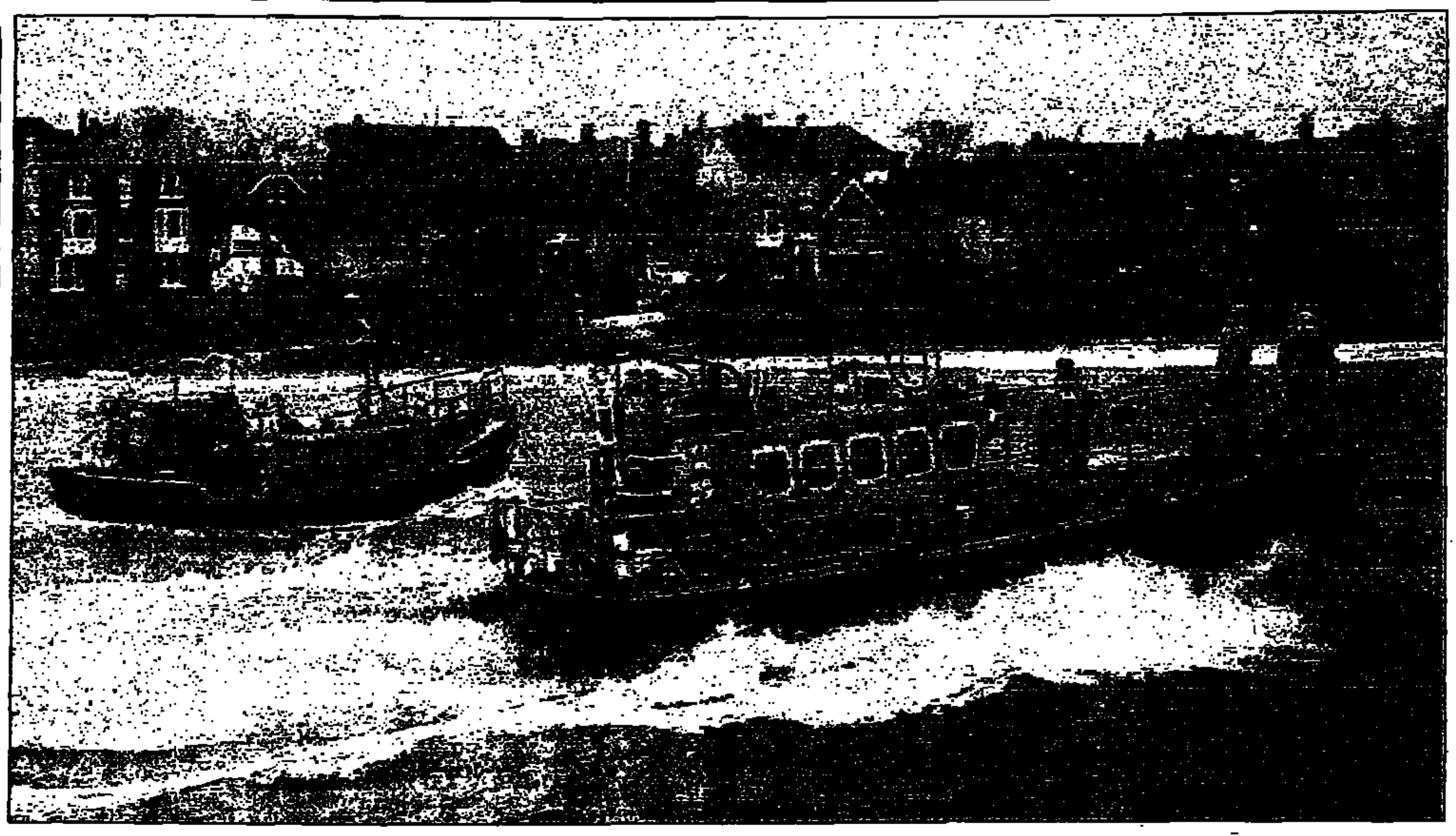
A spectacular pre-dawn launch of the space shuttle Endeavour is planned for today to rectify flaws in the $2 billion (£1.34bn) Hubble space telescope............Page 21

Tuning right

Conservatives frustrated by the perceived liberal bias of the American media will soon be able to tune to a cable television station featuring 24 hours of right-wing chat shows............Page 21

School saved by parents' £250,000

■ Parents and teachers have saved a preparatory school from closure after raising more than £250,000 in an eleventh-hour rescue package. They have bought Manor Lodge School, near Radlett, Hertfordshire, from the receivers. The move ended six weeks of uncertainty that threatened the education of 240 pupils and the jobs of 34 staff............Page 6



The lifeboat Freddie Cooper heads for Aldeburgh beach, Suffolk, ahead of the vessel it is replacing, the James Cable. Its arrival completes the Royal National Lifeboat Institution's programme to replace the double-ended boats with high-speed vessels

Markets: The FT-SE 100 share index ended the day up 31.1 at 3,166.9 and dealers expect a further surge towards the 3,200 level when trading resumes. The pound eased against leading currencies, falling .55 cents to $1.4815 and .17 pfennigs to DM2.5411............Page 30

Dividend bonus: Eastern Electricity, the privatised supplier of electricity to East Anglia and parts of North London, has increased its interim dividend by 20 per cent............Page 29

Jaded in Japan: Tokyo's Nikkei share index remains in the doldrums, reflecting growing fears about the country's faltering economy............Page 31

Rugby Union: The fourth round draw for the Pilkington Cup has seen Bath at home to Wasps. The only first division clubs with serious anxieties will be Northampton, who host Waterloo and Leicester, at Blackheath............Page 48

Table tennis: "It is no surprise to find one half of Matthew Syed in a high-minded search for enlightenment inside Balliol College, the other in pursuit of fame and fortune", says Andrew Longmore....Page 50

Racing: John Dunlop is poised to break the three-year stranglehold Paul Cole has exerted as Britain's leading trainer abroad. He finished with 24 victories abroad, earning just over £900,000............Page 49

Inside story: Notes from prison by Ken Saro-Wiwa, political activist, were published in *The Times*. Martin Ivens meets the man declaring Nigeria's real oil price......Page 38

Poetic vision: James Fenton has been described as "the poet of his generation". Margo Norman on the former war correspondent who has views on the folly of making poetry a career............Page 39

London homes: New rail links in the capital will change the housing market as people find more convenient areas to live............Page 43

Sonic challenge: Christmas will be sensation for Sonic the Hedgehog and Mario Brothers. But there is a growing challenge............Page 40

Nation of singers: Despite worries about the decline of singing in classrooms, the British choral tradition remains as sturdy as ever, with 10,000 amateur choirs. Radio 3 begins a series celebrating amateur choirs............Page 35

Soul of the party: Chants of "Loofer! Loofer!" echoed round Wembley and mock banknotes fluttered down as the soul singer Luther Vandross sang *The Best Things in Life Are Free*......Page 35

Treading LA's boards: Los Angeles may be a movie town, but with Glenn Close about to open in *Sunset Boulevard* there is a reawakening of interest in live theatre on the West Coast............Page 36

Jimmy Armfield, the former Leeds United manager, has been called in to help the Football Association find the new England manager
Page 52

Yegor Gaidar, Russia's deputy prime minister and leading radical reformist, is trying to win the votes of the country's militant coal miners
Page 7

John Lewis, a New Zealander who is currently head of Geelong Grammar School, Australia, will become Head Master of Eton in September
Page 3

THE TIMES TOMORROW

Keeping a service for patients

■ A London council believes it can avoid local hospital closures by running hospitals itself — and reckons it is the right organisation to do it

Start of something Finnish

■ In Helsinki, Rodney Milnes reports on the opening of one of the world's grandest opera houses — the biggest cultural jamboree Finland has ever known

Great Scots

■ Biographies of Dr Livingstone and General Gordon, reviewed by Ian McIntyre, raise the question: what made these eminent Victorians tick?

The Spanish government's battle to subdue Eta, the Basque terrorist group, is examined in *The Organisation* (BBC1, 9.40pm)......Page 51

Master of the ring

True to the spirit of the citizen's charter, Mr Clarke has designed for himself a performance-related contract............Page 23

Trouble in Gaza

There must be no altering the timetable for this first stage of Palestinian self-rule, whatever the trouble in Gaza............Page 23

New Eton faces

In the appointment of its new head, Eton has taken an imaginative look at the future, rather than at its romantic past. That is why it remains such a formidable pacesetter for other schools............Page 23

SIMON JENKINS

The angels of peace have the best tunes. But there is no dodging Ulster's Catch 22, presented with typical clarity last week by Norman Tebbit. Even if Mr Major got his horses to the trough, he would not get them to drink the present stagnant water. There is no conceivable "talks" outcome that would get the IRA to lay down its weapons and not have the Unionists pick up theirs............Page 22

ALAN COREN

I have never snipped a coupon. There are nigh on countless reasons for this but most of them fall under the general heading of life's being too short............Page 22

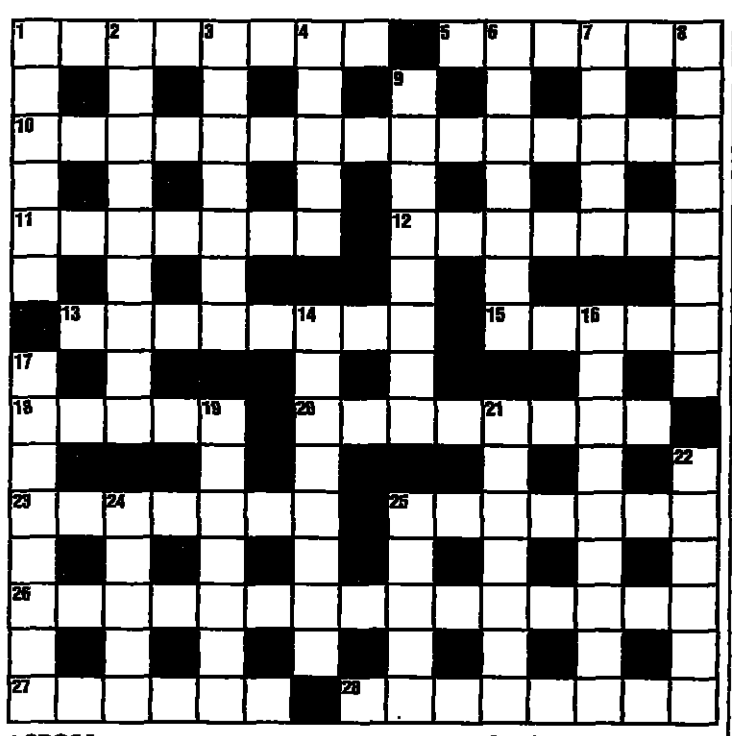
Opposition to religious leaders' call on Sunday trading............Page 23

Mr Major has with some courage made peace in Northern Ireland a priority. But he has to bring the British people and their Parliament along, and that will require plain speaking without even a hint of duplicity — *The New York Times*

Judging from secret messages made public yesterday, the British Government has no reason to apologise for exploring a peace overture from the outlawed Irish Republican Army — *The New York Times*

Major's cover is blown. He maintained contact with the IRA despite public assurances to the contrary. So what? Neither did the heavens part nor his political support collapse — *USA Today*

THE TIMES CROSSWORD NO 19,402



ACROSS

1 Bottle fell on lecher (8).
5 But it comes not only in leap-years (6).
10 York may be a curious choice, it appears (15).
11 Change vital old screw (7).
12 View as one's own concern (4-3).
13 Extensive cosmetic surgery for pair in need (3-5).
15 Not a long piece left after a deal is picked up (5).
18 Get going without a meal (5).
20 Petty swindle (8).
23 Take a hand in ugly mischief-maker's hanging (7).
25 Imposing close in spa town (Georgian) (7).
26 Man takes annual holiday without benefit — the patriot (8,3,4).
27 Depart after throwing bomb (6).
28 A way of waxing poetic (8).

DOWN

1 The Cyclops sang it originally (6).
2 After a second, decided to find out (9).
3 Pin to the wall and rob (5,2).
4 Suggest just ignoring the leader (5).
6 Senior MP very intrusive in quiet resting-place (7).
7 Idealised picture of a mother in one work (5).
8 Scotsman's crying at reception (8).
9 Untypical work — a student does it (8).
14 Men who fight at home put on trial and put in the cooler (8).
16 A view that's also held in the strangest places (9).
17 An example of top quality flowers and fruit (8).
19 Sound completely ignorant over crusade (4,3).
21 Pin smaller but very tight (7).
22 About to check about a reservation (6).
24 The main fault, perhaps, may appear suddenly (5).
25 Moving stair giving a lift to the top (5).

Solution to Puzzle No 19,401

TOOTSY ASPIRATE
R C I I H R B N
UNARMED ERASURE
M R N E L N S M
PRIMEVALLY TIDY
E N L F F N
TRANCHE ILLEGAL
E A A S O A
REVOKES HOWBEIT
I E T E Q C
AVER SEETHROUGH
E T A N A G A K
GENTLED SKITTLE
I A P E K R O Y
SAMPHIRE FLARES

This puzzle was solved within 30 minutes by 17 of the 22 competitors in the 1993 National Final of The Times Knockando Crossword Championship.

Times Two Crossword, page 52

For the latest region by region forecast, 24 hours a day, dial 0891 500 followed by the appropriate code.

Greater London	701
Kent,Surrey,Sussex	702
Dorset,Hants & IOW	703
Devon & Cornwall	704
Wilts,Gloucs,Avon,Soms	705
Berks,Bucks,Oxon	706
Beds,Herts & Essex	707
Norfolk,Suffolk,Cambs	708
West Mid & Sth Glam & Gwent	709
Shrops,Herefds & Worcs	710
Central Midlands	711
East Midlands	712
Lincs & Humberside	713
Dyfed & Powys	714
Gwynedd & Clwyd	715
N W England	716
W & S Yorks & Dales	717
N E England	718
Cumbria & Lake District	719
S W Scotland	720
W Central Scotland	721
Edin S Fife/Lothian & Borders	722
E Central Scotland	723
Grampian & E Highlands	724
N W Scotland	725
Caithness,Orkney & Shetland	726
N Ireland	727

Weathercall is charged at 36p per minute (cheap rate) and 48p per minute at all other times.

AA ROADWATCH

For the latest AA traffic and roadworks information, 24 hours a day, dial 0336 401 followed by the appropriate code.

London & SE traffic, roadworks

Area within M25	731
Essex/Herts/Beds/Bucks/Berks/Oxon	732
Kent/Surrey/Sussex/Hants	734
M25 London Orbital only	736

National traffic and roadworks

National motorways	737
West Country	738
Wales	739
Midlands	740
East Anglia	741
North-west England	742
North-east England	743
Scotland	744
Northern Ireland	745

AA Roadwatch is charged at 36p per minute (cheap rate) and 48p per minute at all other times.

Fog in southeast England and East Anglia will clear; rain later. Central and eastern England and the Channel Islands cloudy with fog at first and rain in the afternoon; clearer in the evening. Wales, western and northern England and eastern Scotland will have rain in the morning; brighter in the afternoon with showers. Northern Ireland and much of Scotland cloudy with showers and rain. Outlook: rain at first; brighter with showers on Friday.

ABROAD

MIDDAY: t=thunder; d=drizzle; fg=fog; s=sun; sl=sleet; sn=snow; f=fair, c=cloud; r=rain

	C	F			C	F	
Ajaccio	13	55	s	Madrid	8	46	r
Akrotiri	18	64	f	Majorca	18	64	f
Alex'dria	23	73	s	Malaga	18	64	s
Algiers	20	68	s	Malta	18	64	f
Amst'dm	-2	28	sn	Melb'rne	19	66	s
Athens	14	57	f	Mexico C*	18	64	f
Bahrain	21	70	s	Miami*	23	73	s
Bangkok	32	90	f	Milan	4	39	f
Barbados*	29	84	f	Montreal*	3	37	s
Barcelona	12	54	s	Moscow	-10	14	sn
Beirut	20	68	s	Munich	-3	27	s
Belgrade	-2	28	sn	Nairobi	21	70	s
Berlin	-7	19	c	Naples	8	46	c
Bermuda*	25	77	f	N Delhi	23	73	s
Biarritz	10	50	r	N York*	8	46	f
Borde'x	10	50	r	Nice	13	55	s
Brussels	0	32	r	Oslo	-3	27	sn
Budapst	1	34	c	Paris	0	32	r
B Aires*	27	81	f	Peking	7	45	s
Cairo	23	73	s	Perth	21	70	c
Cape Tn	23	73	s	Prague	-6	21	c
Chicago*	-2	28	c	Reykjavik	2	36	s
Ch'church	19	66	f	Rhodes	16	61	c
Cologne	-2	28	f	Rio de J	30	86	f
C'phagn	-1	30	sn	Riyadh	20	68	s
Corfu	15	59	f	Rome	10	50	s
Dublin	8	46	f	Salzburg	-3	27	s
Dubrovnik	8	46	r	S Frisco*	14	57	r
Faro	16	61	d	S Paulo*	29	84	s
Florence	8	46	s	Seoul	4	39	r
Frankfurt	-3	27	s	Sing'por	30	86	f
Funchal	21	70	s	S'tkholm	-2	28	c
Geneva	-1	30	f	Strasb'rg	-4	25	c
Gibraltar	18	64	f	Sydney	22	72	s
Helsinki	-5	23	sn	Tangier	15	59	f
Hong K	23	73	f	Tel Aviv	25	77	s
Innsbrck	-1	30	s	Tenerife	21	70	s
Istanbul	10	50	r	Tokyo	14	57	f
Jeddah	32	90	s	Toronto*	2	36	c
Jo'burg*	17	63	r	Tunis	17	63	c
Karachi	31	88	s	Valencia	17	63	f
L Palmas	22	72	s	Vanc'ver*	9	48	r
Le Touqt	1	34	f	Venice	6	43	s
Lisbon	13	55	f	Vienna	-1	30	c
Locarno	3	37	f	Warsaw	-7	19	f
L Angels*	19	66	s	Wash'ton*	8	46	s
Luxembg	-4	25	c	Wel'ngton	17	63	f
Luxor	29	84	s	Zurich	-4	25	c

* denotes figures are latest available

	Sun hrs	Rain in	Max C	F	
Aberdeen	-	-	5	41	gale
Anglesey	-	0.10	10	50	rain
Aviemore	-	0.01	7	45	cloudy
Belfast	-	0.33	9	48	rain
Birmingham	0.4	-	3	37	sleet
Bognor Regis	4.5	-	5	41	bright
Bournemouth	-	0.16	6	43	rain
Bristol	-	0.02	5	41	cloudy
Buxton	-	-	0	32	cloudy
Cardiff	-	0.01	6	43	rain
Clacton	4.5	-	4	39	sunny
Eastbourne	4.5	-	5	41	bright
Edinburgh	-	0.05	4	39	rain
Eskdalemuir	-	0.15	2	36	rain
Exmouth	-	0.61	9	48	rain
Falmouth	3.0	0.67	12	54	rain
Folkestone	6.8	-	3	37	sunny
Glasgow	-	0.18	5	41	rain
Guernsey	-	0.16	7	45	rain
Hastings	6.3	-	4	39	sunny
Hunstanton	3.3	-	3	37	bright
Isle of Man	-	0.29	8	46	rain
Jersey	-	0.17	4	39	rain
Kinloss	-	-	7	45	gale
Leeds	-	-	2	36	bright
Lerwick	-	-	7	45	gale
Littlehampton	4.9	-	5	41	sunny
Liverpool	-	-	3	37	rain
London	4.9	-	5	41	sunny
Lowestoft	1.5	-	4	39	cloudy
Manchester	-	-	4	39	rain
Newcastle	-	-	3	37	cloudy
Newquay	-	0.59	12	54	rain
Nottingham	1.6	-	1	34	bright
Penzance	-	0.60	13	55	rain
Plymouth	-	0.81	11	52	rain
Poole	-	0.24	6	43	rain
Saunton Snd	-	0.17	9	48	rain
Scarborough	-	-	3	37	cloudy
Scilly Isles	-	0.37	13	55	gale
Shanklin	2.4	0.02	6	43	drizzle
Southsea	3.4	0.01	6	43	rain
Stornoway	-	0.07	9	48	rain
Swanage	-	0.09	7	45	rain
Teignmouth	-	0.62	10	50	rain
Tenby	-	0.61	9	48	rain
Tiree	-	0.34	7	45	rain
Torquay	-	0.38	9	48	rain
Weymouth	-	0.19	8	46	rain
Wick	-	-	6	43	gale

These are Monday's figures

LONDON

Yesterday: Temp. max 6am to 6pm, 10C (50F); min 6pm to 6am, 3C (37F). Humidity: 6pm, 86 per cent. Rain. 24hr to 6pm, 0.22in. Sun: 24hr to 6pm, 0.1hr. Bar, mean sea level, 6pm, 1,006.7 millibars, steady.
1,000 millibars=29.53in.

HIGHEST & LOWEST

Monday: Highest day temp: Penzance, Cornwall 13C (55F); lowest day max: Buxton, Derbyshire, 0C (32F); highest rainfall: Plymouth, Devon and Culdrose, Cornwall 0.83in; highest sunshine: Folkestone, Kent 6.8hr.

MANCHESTER

Yesterday: Temp: max 6am to 6pm, 8C (46F); min 6pm to 6am, 1C (34F). Rain: 24hr to 6pm, 0.17in. Sun: 24hr to 6pm, 5.2hr.

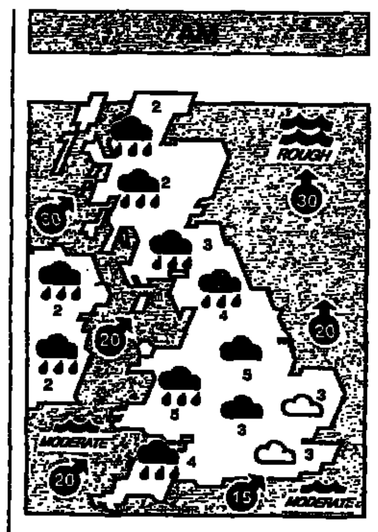
GLASGOW

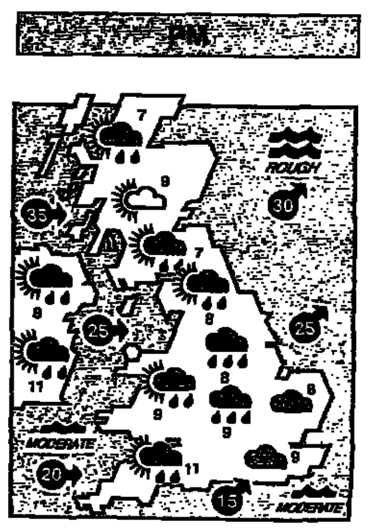
Yesterday: Temp: max 6am to 6pm, 8C (46F); min 6pm to 6am, 4C (39F). Rain: 24hr to 6pm, 0.27in. Sun: 24hr to 6pm, 3.9hr.

TOURIST RATES

	Bank Buys	Bank Sells
Australia $	2.36	2.16
Austria Sch	18.84	17.34
Belgium Fr	56.93	52.53
Canada $	2.095	1.935
Cyprus Cyp£	0.782	0.742
Denmark Kr	10.66	9.86
Finland Mkk	9.35	8.55
France Fr	9.23	8.53
Germany Dm	2.69	2.48
Greece Dr	382.50	357.50
Hong Kong $	12.15	11.15
Ireland Pt	1.10	1.02
Italy Lira	2620.00	2465.00
Japan Yen	180.00	160.50
Malta Ml£	0.620	0.588
Netherlands Gld	2.997	2.767
Norway Kr	11.62	10.82
Portugal Esc	271.00	252.50
South Africa Rd	5.70	4.80
Spain Pta	215.00	201.00
Sweden Kr	13.14	12.34
Switzerland Fr	2.35	2.17
Turkey Lira	20900.0	19900.0
USA $	1.585	1.455

Rates for small denomination bank notes only as supplied by Barclays Bank PLC. Different rates apply to travellers' cheques. Rates as at close of trading yesterday.





LIGHTING-UP TIMES

London 3.55 pm to 7.44 am
Bristol 4.05 pm to 7.53 am
Edinburgh 3.44 pm to 8.19 am
Manchester 3.54 pm to 8.02 am
Penzance 4.23 pm to 7.59 am

Sun rises: 7.44 am
Sun sets: 3.55pm
Moon sets 9.28 am
Moon rises 6.06 pm
Last quarter December 6

Road Vehicles Lighting Regulations 1989: The hours of darkness are defined in these Regulations as the period between half an hour after sunset and half an hour before sunrise.

YESTERDAY

Temperatures at midday yesterday: c, cloud; f, fair; fg, fog; r, rain; s, sun.

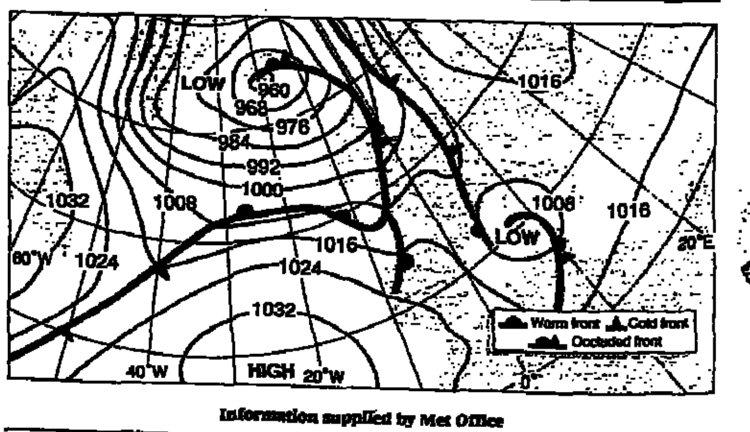
	C	F			C	F	
Belfast	5	41	f	Guernsey	10	50	c
B'mgham	7	45	c	Inverness	7	45	f
Blackpool	7	45	f	Jersey	7	45	fg
Bristol	10	50	f	London	9	48	c
Cardiff	9	48	f	M'nchster	7	45	s
Edinburgh	8	46	f	Newcastle	3	37	f
Glasgow	7	45	c	R'nldsway	9	48	s

HIGH TIDES

TODAY	AM	HT	PM	HT
London Bridge	2.40	7.0	3.00	7.0
Aberdeen	2.12	4.1	2.20	4.3
Avonmouth	8.6	12.7	8.30	12.5
Belfast	Noon	3.5		
Cardiff	7.51	11.8	8.15	11.6
Devonport	6.47	5.4	7.7	5.2
Dover	11.50	6.4		
Falmouth	6.17	5.2	6.37	5.0
Glasgow	1.53	4.3	1.55	4.9
Harwich	12.34	3.9	12.53	3.9
Holyhead	11.16	5.5	11.37	5.3
Hull	7.16	7.1	7.27	7.2
Ilfracombe	6.48	9.0	7.10	8.8
King's Lynn	7.23	6.2	7.33	6.5
Leith	3.31	5.2	3.42	5.3

TODAY	AM	HT	PM	HT
Liverpool			12.10	9.2
Lowestoft	10.26	2.3	10.37	2.5
Margate	12.46	4.7	1.04	4.7
Milford Haven	7.09	6.8	7.30	6.6
Newquay	5.59	6.8	6.20	6.6
Oban	6.31	3.9	6.56	3.8
Penzance	5.45	5.5	6.06	5.3
Portland	7.31	2.1	7.58	1.9
Portsmouth	12.01	4.6	12.13	4.6
Shoreham	12.02	6.0		
Southampton	11.51	4.5		
Swansea	7.17	9.1	7.35	8.9
Tees	4.30	5.1	4.45	5.2
W'lton-on-Nze	12.27	4.1	12.48	4.1

NOON TODAY



Information supplied by Met Office

THE TIMES

DIEU ET MON DROIT

WEDNESDAY DECEMBER 1 1993

Shares poised to hit record as markets hail Clarke Budget

■ After-hours trading suggests the stock market will open sharply higher this morning, as dealers welcomed the Chancellor's resolve to tackle the PSBR

By Our City Staff

PRICES of shares and government bonds are set to open sharply higher when trading resumes this morning, with the City expressing support for the Chancellor's Budget proposals.

Stockbrokers were predicting last night that the FT-SE 100 index would breach the 3,200 level, with opening gains of up to 50 points. Trading in the FT-SE 100 future, after the close of the cash market, indicated that the index could open close to a new high when trading resumed. The future was trading at 3,199 in after-hours dealing, equivalent to 3,197.5 on the underlying index after deduction of a "fair value" premium. The FT-SE 100's all-time record level, reached on October 22, was 3,199.2.

Although the Chancellor's proposals will be warmly received, scope for further improvement in share values, after the previous two days' gains, will be limited.

Fears that Mr Clarke would implement swingeing tax increases to finance the welfare state failed to materialise. Instead, he surprised the City by impressing on traders and investors his determination to tackle government spending. He said he would reduce the public sector borrowing requirement by £5.5 billion, to £45 billion, in this financial year and by £7 billion, to £38 billion, next year.

This brought a new lease of life to the index, which had showed signs of running out of steam before the Chancellor rose to give his maiden Budget speech. It closed near its best of the day, rising 31.1 points to 3,166.9.

Gilts also raced ahead in late trading, with the planned cuts in PSBR exceeding even the most optimistic forecasts. They were cheered, too, by the outlook for inflation and the Chancellor's promise to reduce sales of gilts. Details of the latest gilt auction were released as the Chancellor began his speech, with the Bank of England issuing £3 billion of Treasury 6¾ per cent 2004 A. Many traders had expected the issue to raise £3.5 billion.

The December series of the long gilt rebounded sharply as the Chancellor's proposals were made known. Before the speech, it was nine ticks down at £115¾ but later soared more than £1 to finish the session at £116 25/32.

By contrast, the foreign exchange market was subdued. Trading in London closed mid-way through the speech, leaving sterling unchanged against most other major currencies. It closed little altered at DM2.5411, with its trade-weighted index ten points lower at 71.2. But the dollar rose more than half a cent against the pound, to $1.4815, helped by a US November consumer confidence index that was better than expected.

Andy Smith, market strategist at Credit Lyonnais Laing, said the Chancellor had not damaged consumer confidence. "It's pretty bullish," he said. "He has done all the right things on the spending side. Last week's half-point reduction in base rates was the Budget cut we had all been waiting for but there is clearly scope to do more".

Analysts agree that further base rate cuts are on the cards. Many say that with such large tax increases in the pipeline, a reduction in interest rates will be necessary.

Martin Lupton, head of market-making at Kleinwort Benson, said: "He has done everything right. There was nothing in this to frighten the market like a rise in pension funds taxation."

John Reynolds, equity strategist at NatWest Markets, thought it was a "well-judged Budget from the financial markets' point of view"; the rise in taxes was not as bad as had been feared.

It appeared that the proposed reduction in state borrowings would come mainly from extra spending cuts, rather than raised taxes.

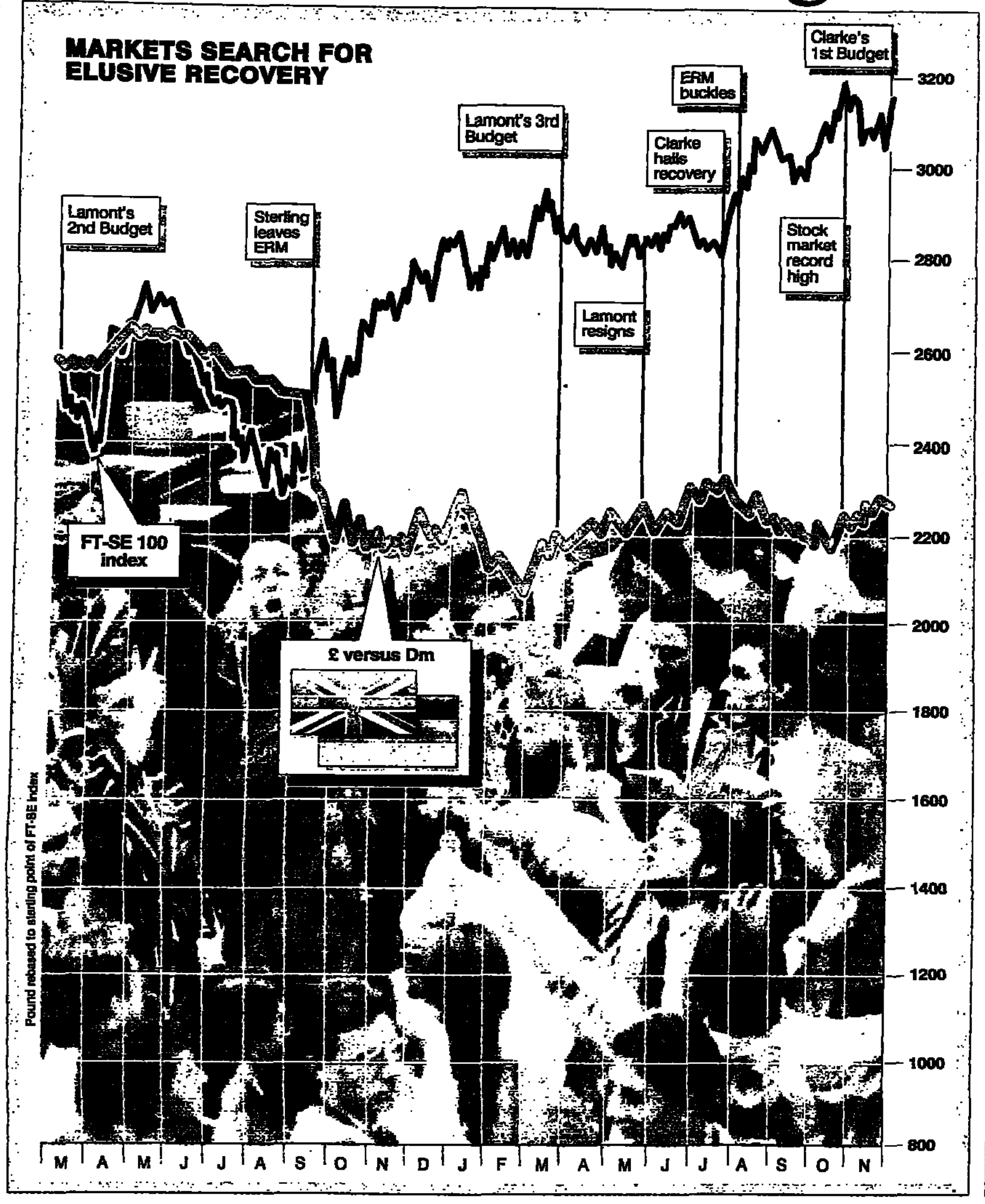
Derek Terrington and his media team at Kleinwort Benson said newspaper shares were likely to react positively to the Chancellor's decision not to extend VAT to newspapers and magazines. Principal beneficiaries were expected to be groups such as United Newspapers, The Telegraph and Mirror Group Newspapers, and magazine businesses such as EMAP and Reed.

The Kleinwort team believes a VAT rate of up to 7 per cent may be levied on the print sector "at the beginning of 1996, in line with European harmonisation".

The higher than expected rise in cigarette duty, adding 11p to a packet of 20, will have an adverse impact on tobacco companies exposed to the UK market, though many of these are American. Among those likely to be hit are Rothmans and Hanson, through its Imperial operation. BAT Industries is not exposed to the UK cigarette market but will be affected by the proposed 3 per cent tax on insurance premiums.

Analysts felt that the proposal to levy a duty of £5 or £10 on all passengers going through UK airports from next October will have little impact on the likes of British Airways and BAA. Mark McVicar, at NatWest, said: "It doesn't mean very much in real terms and we've got another year of economic recovery before we get hit."

Confident Clarke, page 1
Anatole Kaletsky, page 1
Reaction, page 2
Leading article, page 23
Pennington, page 29
Stock markets, page 30
Red Book, page 32



S&P gives top risk rating to 46 Lloyd's syndicates

By Sarah Bagnall
Insurance Correspondent

ONE in four surviving Lloyd's syndicates have received the lowest possible ranking from Standard & Poor's, the rating agency, sounding a health warning for their survival.

Of the 178 syndicates continuing trading next year, S&P has tagged 46 with the highest-risk ranking of one star.

John Gardner, the managing director of S&P, said: "The rankings reinforce the important role a track-record plays in differentiating between the performance of syndicates and the possibility of their unplanned cessation."

In contrast to previous years, S&P's Lloyd's syndicate stability ratings, which rank syndicates by their likelihood of continuing to trade, showed a sharp rise in the number diagnosed as highest risk.

Last year, it rated 9 per cent of those syndicates trading on into 1993 with one star, compared to this year's 26 per cent.

Conversely, the number of top-rated syndicates has held up well over the years against a background of a shake-out in the Lloyd's market, which has caused a sharp drop in the number of syndicates.

Of the 178 syndicates underwriting next year, 39 per cent have been given three stars, compared to 38 per cent of last year's 240 syndicates.

S&P has not rated life, livestock and credit syndicates and those that have not closed two underwriting years.

☐ A lack of institutional interest coupled with unfavourable market conditions has forced Minories Investment Trust, a Lloyd's corporate capital company, to scupper its plans to float this year.

The failure to raise sufficient funds in time for the 1994 underwriting year occurred in spite of having obtained highly sought after and quality capacity in the market.

The trust, which was planning to raise about £50 million, intends to float early next year.

BUSINESS EDITOR
Robert Ballantyne

BUSINESS TODAY

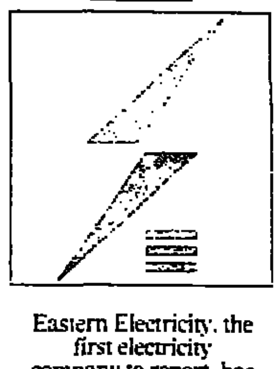
FORMULA

Glaxo is pledged to continue spending 15 per cent of sales on finding new drugs and remain the biggest spender
Page 29

SICKLY

Dawson International's American business dropped a stitch and the half-year dividend has been almost halved after a profits plunge
Page 29

TONIC



Eastern Electricity, the first electricity company to report, has set the pace by raising half-year dividends 20 per cent
Page 29

MENDING

Shareholders in Ferruzzi, the Italian food and chemicals group, have approved Europe's largest corporate rescue plan
Page 29

Broad welcome from business leaders

By Philip Bassett and Ross Tieman

BUSINESS leaders broadly welcomed the Budget, and especially the government's declared intent of controlling public spending — but capital-intensive industries were disappointed at the lack of measures to promote investment. Industry generally was grateful that no moves had been made to threaten the fragile economic recovery, and business leaders hoped for further interest rates cuts soon.

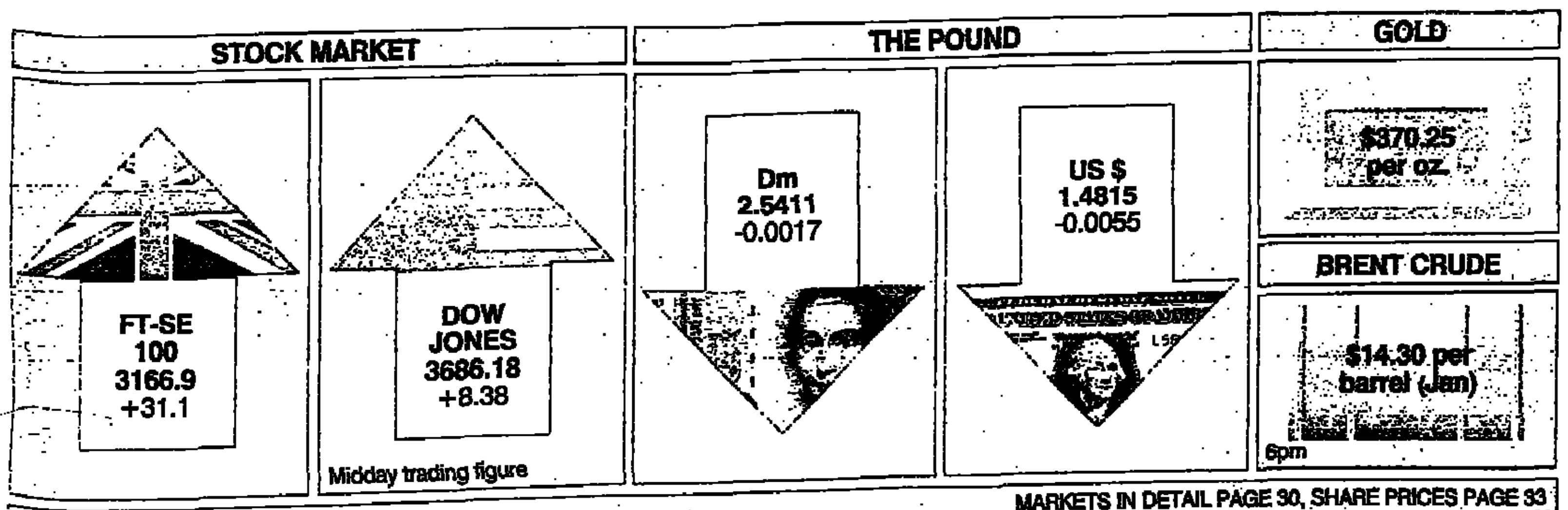
Howard Davies, director-general of the Confederation of British Industry, said the Chancellor had "avoided the trap" of higher tax increases which could have put the recovery at risk, and he welcomed the "tough decisions" Mr Clarke had taken on public spending, which were in line with what the CBI had been urging, while Sir David Lees, chairman of engineering group GKN, said it was a "cleverly crafted" Budget.

Sir Denys Henderson, ICI chairman, said it was a "skilful" Budget, and said that the planned phased reduction in public spending would give confidence to the markets and limit the risks to the recovery — though he stressed that the Chancellor's strategy depended on lower interest rates as well as lower inflation and strict control of spending.

Joe Dwyer, chief executive of the Wimpey construction group, said tackling public spending "head-on" would help restore business confidence, though he thought it would have a neutral impact on the building industry. Christopher Stewart-Smith, president of the British Chambers of Commerce, said the Budget was an "astute balancing act", while Peter Morgan, director-general of the Institute of Directors, welcomed the Budget "with a sigh of relief" over its tax proposals, but remained concerned about the £6.5 billion of tax increases already in the pipeline — though he accepted the Budget would do a great deal to help business.

But the EEF engineering employers made no attempt to hide their disappointment. Graham Mackenzie, EEF president, said it was "not the Budget for investment which the economy needed" because it contained nothing on improving capital allowances. Stan Vaughan, president of the Machine Tool Technologies Association, agreed, saying the government had "missed a tremendous opportunity to encourage industry to invest and lead the UK economoy's emergence from recession". Sir Brian Hill, president of the Building Employers' Confederation, said the Budget would not help recovery in the construction industry but would help confidence overall, while John Monks, general-secretary of the TUC, said the Chancellor had done nothing to strengthen the patchy recovery. John Edmonds, of the GMB general union, said unemployment would rise as a result of sucking £12 billion out of the economy.

However, small businesses were particularly welcoming. Nick Goulding, of the Forum of Private Business, said: "All of the priorities that we set for growth and simplicity have been listened to", while Ian Handford, policy group chairman of the Federation of Small Businesses, said: "With a £50 billion overdraft, we could not have expected more."



LONDON CLOSING PRICES

MARKETS IN DETAIL PAGE 30, SHARE PRICES PAGE 33

Ferruzzi's investors support rescue plan

BY COLIN NARBROUGH, WORLD TRADE CORRESPONDENT

FERRUZZI Finanziaria shareholders have approved a 2,480 billion lire (£987 million) capital increase that forms a key element in the controversial rescue plan for Italy's second largest private company.

The shareholders' meeting in Milan, which followed Ferruzzi's success on Monday in securing the support of 87 per cent of its Italian and foreign creditor banks for the rescue scheme, also voted in favour of a management proposal to take legal action against Price Waterhouse, its former accountant, for failing to detect huge losses at the food-to-chemicals group.

PW denies any responsibility and has argued that the previous Ferruzzi management had misled it with deals designed to make any effective check of the accounts impossible. The auditors revoked approval of the Ferruzzi holding company accounts for 1988 to 1992 and those of its main industrial company, Montedison, for 1987 to 1992.

The corporate rescue plan, one of the biggest ever in Europe, failed on Monday to secure the backing of a group of non-Italian creditor banks, comprising Barclays, Citibank, Union Bank of Switzerland and Crédit Suisse. The group said it recognised the revised version of the rescue plan as an improvement, but said more time was needed to consider the complex proposals. Deutsche Bank had also opposed the rescue plan, but on Monday moved to the camp supporting the plan.

Ferruzzi management set 85 per cent approval from its creditor banks as the level needed for going ahead with the rescue. But the banks still withholding approval have questioned the legal basis for Ferruzzi's target level.

Ferruzzi said that the debt deal agreed with its creditors would waive L1,300 billion of interest payments for this year, against the L1,800 billion originally requested. Montedison shareholders are to meet today to vote on its capital increase.

Guido Rossi, the Ferruzzi president, told shareholders that 98 per cent of the Italian banks had given their blessing to the rescue. He said the plan would reduce group gross debt with its banks to L9,000 billion in 1997 from the present L24,000 billion. The plan comprises of a mixture of capital increases, debt rescheduling and disposals.

Thomas Cook has unexpectedly come to the aid of a forlorn Mickey Mouse by launching its first brochure for trips to the Euro Disney theme park and predicting a big rise in the number of British visitors over the next two years. The news will come as a ray of hope Tom Allen, above, director of sales at the beleaguered Paris theme park. Last month Euro Disney announced losses of more than £600 million for the year to September and revealed plans to cut 950 jobs. British Airways Holidays decided recently to stop selling packages to the theme park and Thomson Holidays also pulled its Euro Disney brochure. Euro Disneyland said yesterday it was "perfectly relaxed" with the appointment of a team auditors to examine its finances before a financial reconstruction next spring.

Inchcape share sector ruling

BY MARTIN WALLER, DEPUTY CITY EDITOR

INCHCAPE, the international trader, has failed in its bid to escape reclassification as a motor dealer in the wide-ranging reorganisation of the stock market carried out by the FT-SE Actuaries Industry Classification Committee.

The company says it will now make a final appeal to the decision. The committee published its ultimate adjudication yesterday, indicating where appeals against its ruling earlier this year had been successful. A number of big companies have succeeded in turning the committee, including Ladbroke Group, which will go into hotels and catering rather than leisure, and Rentokil, which is to be listed as a business support services group rather than in pollution control. Absent from the list is Inchcape, which had argued against a move from business services to vehicle distribution on the grounds that much of its motors activities was a service business. Classifications are important because different sectors command higher or lower market ratings, so a move can give rise to movements in the share price.

Midland to offer private banking

BY PATRICIA TEHAN, BANKING CORRESPONDENT

MIDLAND Bank is to launch a new private banking service for higher-income customers in the first half of next year.

The bank has offered some private banking through Samuel Montagu and has an international private banking operation which services overseas customers. However, it will now target a sample of higher net worth customers from two new offices, one in London's Pall Mall, the other in Chichester, Sussex. If this is successful, a full private banking service will be offered from the middle of next year.

The initiative results from a review of private banking activities following HSBC Holdings' takeover of Midland last year. Other HSBC and Midland activities have already been merged, including merchant banking, and treasury and capital markets operations. Richard Moseley, HSBC's senior manager of group private banking in the UK, said research had "highlighted that there is a need for something more akin to what banking was historically".

Midland is the last of the big four UK clearing banks to make a push into private banking. The new operation will include Midland International Private Banking and Samuel Montagu's private banking customers. It is also likely to take in Midland Personal Asset Management, which provides a will and executorship service, and the British Bank of the Middle East.

Mr Moseley said private banking was a growing market because of the "inheritance generation", which meant more people were becoming wealthy, and because, with interest rates low, returns on deposits were insufficient, so clients needed help with financial planning.

Private banking is less risky than retail banking, as its profits come from fees for services such as asset management. Lending tends to be short-term and is well secured. In recessions, private banks do not suffer from bad debts to the same extent as retail banks.

National Westminster offers private banking through Coutts; Lloyds launched Lloyds Private Banking in 1985 and Barclays started a private banking operation last February. The Royal Bank of Scotland offers a service through Child & Co, Drummonds, and Adam & Co.

BUSINESS ROUNDUP

Brent price surges as Russia cuts oil exports

RUSSIA rode to Opec's rescue with a statement that Moscow plans to cut oil exports by 75 per cent this month. The news lifted the price of Brent blend crude almost a quarter of a dollar to $14.56 a barrel yesterday morning after the five-year low recorded on Monday. Yuri Shafrannik, the Russian fuel minister, said the cut was to ensure that Russia had enough fuel to meet domestic energy needs this winter. The December cuts would amount to 5 to 6 million tonnes. He said Russia had not further reductions planned apart from the "emergency measure" this month.

The prospect of lower Russian supplies gave added support to the oil price, which slumped below $14 on Monday in a delayed response to Opec's failure last week to agree on a lower output ceiling and fears that Iraq might be back in the market by mid-1994. Mr Shafrannik said cold weather had arrived unseasonably early, as it has in many parts of Europe and North America. Opec ministers predicted last week that the oil price would dip initially before starting to recover as the northern hemisphere winter deepened. Russian crude oil exports to markets outside the former Soviet Union grew 23 per cent in the first ten months to 70.6 million tonnes.

Verson losses continue

LOSSES continue to pile up at Verson International, the Midlands machine maker. The pre-tax deficit for the six months to July was £2.9 million. While that was half the £5.6m loss in the previous first half, the 1992 figures were distorted by a £6.4 million loss on disposals. The main setback was a drop in royalty and service fees from £3.9 million to only £667,000. The Belgian subsidiary continues to operate at a loss. Tim Kelleher, chairman, said that gross margins were improving, and sales had been boosted by acquisitions. Losses per share were 1.96p, down from 3.95p. The dividend is again passed.

Clayhithe to sell site

CLAYHITHE, the investment and property company, plans to sell a 14-acre development site in Aylesbury to Persimmon Homes (Thames Valley), a subsidiary of Persimmon, for £3.05 million. The disposal is conditional on shareholder approval. Clayhithe said the land is surplus to requirements and generates no revenue. The sale price represents a small premium to a carrying value of £3 million as at the March 31 year end. John Heywood, Clayhithe's chairman, is cautiously optimistic on prospects, though he said trading conditions have remained difficult since the year end. Clayhithe shares were unchanged at 65p., while Persimmon dipped 1p to 278p.

Beckenham postpones

A SHORTAGE of funds has forced Beckenham Group, the heating and ventilation engineer, to postpone redemption of loan stock falling due yesterday. The 10½ per cent unsecured stock was issued by London & European, a wholly owned subsidiary. It will not be repaid until next April. Beckenham said it was not in a position to provide London & European with the funds necessary to redeem the stock until refinancing proposals currently under discussion are completed. Interest on the loan stock for the past six months will be paid in mid-December. The shares languish at 2½ p on the USM. At their peak they reached 117p in 1989.

Metrotect pays dividend

A MAIDEN dividend of 1.15p has been declared by Metrotect Industries, the international pipeline protection products maker floated on the stock market last June. In the six months to end-September, taxable profits dipped to £559,000 (£770,000), and earnings per share to 1.49p (2.40p), due to delays in major projects. Brian Thomas, executive chairman, said Metrotect's second half was normally the busier, and this seasonality would be marked this year. He said the group, which makes plasticised materials for protecting subterranean and submarine oil, gas and water pipelines, saw the prospect of a possible joint venture in China.

Philip Harris falls 53%

A SHARP contraction in state funding for education in continental Europe, coupled with continued tough times in the UK scientific equipment market, led to a 53 per cent drop in interim profits at Philip Harris, the West Midlands medical and scientific equipment supplier. Pre-tax profits for the six months to end-September fell to £378,000 (£806,000) but the dividend was held at 2.2p a share. In September, the company gave warning that profits would fail to match last year's. The education and scientific division made a £148,000 operating loss (£466,000 profit), while operating profits from the medical division slipped from £670,000 to £642,000.

☐ The Chancellor's sleight of hand could work ☐ 3i in the frame as ProNed comes under review ☐ A new surveyor for QMH?

Pleasing gamble might come off

☐ THE headlines of the Budget are right: noticeable cuts in the borrowing requirement from an underlying 8½ per cent this year to 4½ per cent in 1995-6, financed more by public spending than tax and, most important in the City, without another impost on investment. Those headlines may be more important than the reality. Kenneth Clarke has made a ministerial career out of bold initiatives that have left his successors struggling to cope. There is method in it too. The greater the confidence engendered now, the more chance that recovery will accelerate, ensuring that targets for public finances are actually met in the years before the next election.

Minutes after the Chancellor sat down, every analyst worked out that virtually all the cuts in public spending came from the contingency reserve, which has been halved for 1994-5. But does this really matter? Norman Lamont had carefully left £7 billion to absorb the sob stories from spending departments between the two Budgets. In the event, Michael Portillo's shoulder did not prove a profitable one to cry on and the cut in the reserves for 1994-5 and 1995-6 are marginally less than what is projected to have been "saved" this year. We must await the final figures in about six months time to find out if that presumed saving was actually made — rather longer to see if the new totals will hold.

Meanwhile, it is not hard to see some of the things that can go wrong and why the government would say no to another Operation Desert Storm. One clear danger zone is public sector pay. Frozen paybills imply either that money wages will be frozen, leading to quite substantial cuts in living standards for about five-and-a-half million people over the period, or that for every 1 per cent rise in pay levels, about 55,000 will be added to the queue of what will soon be called jobseekers. To see if frozen paybills are realistic, the markets will need to look closely at the tax and prices index over the next few months. With frozen allowances and fiscal drag, the TPI numbers could soon prove embarrassing. They are liable to get even worse in 1995-6 when, for instance, full VAT on fuel comes in.

In the markets, however, there is at least some room for slippage. In equities, market prices had included some element of fear of further levies on pension funds. Instead, as the new workings of advance corporation tax forecasts suggest, companies have turned the last attack to their advantage through scrip dividends. In bonds, the Bank of England will now use its added funding flexibility and will have to raise less to keep pace. With some luck and better judgment, it could save even more interest by concentrating its efforts on index-linked issues.

Aside from that crucial confidence factor, Mr Clark did nothing for the economy — a tax on insurance and less mortage relief will not help housing.

But that is much better than most expected.

Adding non-exec sex appeal

☐ AS *The Times* disclosed earlier this month, a question mark hangs over the future of ProNed, the enterprise chaired by Sir Adrian Cadbury which, with almost evangelical zeal, preaches the gospel of non-executive directors. ProNed's sponsors, which include the Bank of England, the CBI, and the Stock Exchange, are still

PENNINGTON

"reviewing" the organisation's future but a decision on its ongoing ownership is now expected by the new year.

On the face of things, the Bank, unsurprisingly presiding over discussions, has limited room for manoeuvre. ProNed, along with its 1,000 strong non-executive register, could be sold to the private sector, much the preferred course of action. Failing this, sponsorship of ProNed, currently embracing no less than nine august bodies, could be shrunk to a more commercially demanding unit or, conceivably, one of the sponsors might be encouraged, by way of a raised eyebrow, to take ProNed to its bosom.

The most natural candidate for that role would be 3i, but whether the venture capitalists at Waterloo believe ProNed would add sex appeal to their own on-off venture into the private sector is a moot point.

Meanwhile, a reader who recently asked to be included on ProNed's register has drawn *Pennington's* attention to the reply he received, extracts of which read as follows: "Thank you for your letter ... expressing your interest in non-executive directorships. Most of the companies using ProNed's services are listed on the Stock Exchange and, because that imposes special demands, they usually consider candidates who are already main board directors of other publicly quoted companies.

"This shuts off a great many people who have had successful careers in their particular fields and who have a great deal to offer. You are more likely to be successful by using your own business contacts to find such appointments."

All of which raises the question of whether ProNed should be a party to shutting off those who have achieved "successful careers in their particular fields". ProNed's premise that main board directors make the best non-executives is highly debatable: not least because it serves to preserve the status quo. Should not a company attempt to attract a *variety* of non-executive talent? Otherwise the exercise might smack of a rather cosy club for executive directors and stray MPs. Incidentally, ProNed appears to have overlooked the fact that our reader, who prefers to be anonymous, enjoyed previous non-executive experience.

Seeking value in a valuation debate

☐ STANLEY Metcalfe and Andrew Coppel, respectively chairman and chief executive of Queens Moat Houses, cannot be accused of being short on advisers. They might, however, consider a shuffling act within the pack: to bring in a third, entirely independent, valuer to carry out the latest valuation of the company's hotel portfolio. The history of Queens Moat's valuations is well chronicled. Weatherall Green & Smith's £2 billion valuation for 1991 was followed by a £1.86 million estimate for 1992, subsequently revised to £1.35 billion. Enter Jones Lang Wootton with a draft figure of £640 million, subsequently raised to £861 million.

Mr Metcalfe stressed at Monday's agm that the Royal Institution of Chartered Surveyors' role was "not that of an arbitrator". Quite what its contribution to the debate might have been, we may never know, bearing in mind that, come the appointment of DTI inspectors, its president promptly pronounced: "It would be inappropriate for the institution's enquiries to continue."

But surely, in the light of such disparities in the space of 12 months, a third firm of surveyors, such as Christie's, could and should be invited to join the party.

Meanwhile the latest issue of *Company Reporting*, the Edinburgh-based monthly review, argues that QMH's experience ought to be "the death knell of existing use valuations".

According to *CR*, QMH's property valuation fiasco strengthens support for the use of "opportunity costs" as the prefered valuation basis — an approach which includes "existing use" and "alternative use" but excludes "value to the business". This, it is argued, would better reflect competitive market pressures by identifying the price a third party might be expected to offer.

Eastern powers forward with higher dividend

By Martin Waller
Deputy City Editor

EASTERN Electricity, the power distributor serving East Anglia and parts of north London, has kicked off the reporting season for the 12 distributors in England and Wales with a 20 per cent interim dividend increase, to 6.6p. The rise was well ahead of City estimates.

James Smith, the chairman, warned shareholders that a similar increase could not be expected at the year-end as there was an element of rebalancing of the interim and final payments in the rise. But shares in Eastern, the largest of the distributors, still jumped 7p to 595p.

Eastern reported pre-tax profits of £77.4 million for the half-year to September 30, ahead from £67.6 million, even though the retail operation, now merged with those of two other distributors, Southern and Midlands, is still in the red.

Eastern's customers, many of whom have remained shareholders since the 1990 flotation, will receive a one-off "efficiency bonus" of at least £5 to reflect the fall in the cost of electricity to the distributors. Eastern announced a similar payment in April. The bonuses cost the company about £15 million each.

Mr Smith said the improved results had been achieved despite a 5 per cent fall in turnover, caused mainly by the earlier bonus payment. Earnings per share were ahead by 14 per cent, to 20.9p. Eastern charged £8.6 million in the first half to cover manpower reductions planned for the year.

Costs were cut by 7 per cent, mainly by reducing manning levels. Over the past year, staff numbers in the electricity business have fallen 17 per cent, or 1,250 posts.

Eastern, like the other distributors, remains locked into high interest rates charged on debt assumed from the government on flotation; it has been unable to reschedule the debt. John Devaney, the chief executive, said talks with the government were planned after the Budget. "I don't understand why the government is interested in hanging on to that debt," he added.

Non-electricity activities improved from a £3.7 million loss at the operating level last time to a £600,000 profit. Included in this was a £600,000 share of the losses of the E&S joint retailing venture, an improvement from £4.6 million of losses last time.

There have been fears that booming profits from electricity companies might prompt a turn of the regulatory screw. But Mr Devaney said Eastern was going into talks with Offer, the industry watchdog, "with some of the lowest prices in the country, with low operating costs, with a return on capital at the low end of the spectrum in respect of the regional electricity distributors, and meanwhile we're looking after our customers well. There's no reason to think we'll fare unduly badly."

James Smith unveiled an "efficiency bonus" for users

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Price war affects JLI Group

Intense price competition and a poor performance from the snacks division took its toll on first-half profits at JLI Group, the food processing and distribution group.

Pre-tax profits fell to £1.32 million in the six months to end-September, down from £1.84 million last time, despite turnover rising to £52.5 million (£50.9 million). Margins were hit by the growing competition among food retailers, to which 46 per cent of the group's business is exposed, and increased costs of raw materials in the wake of sterling's devaluation. Profits were additionally depressed by a £695,000 exceptional charge for reorganisation in the snacks division.

Earnings fell to 2.1p (3.2p) a share, but the interim dividend is raised to 1.6p (1.55p). JLI shares lost 6p to 94p.

Enviromed up

An interim dividend is likely to be paid this year by Enviromed, the biotechnology and healthcare group that was listed in June. The news lifted the shares 3p to 138p, against the 110p flotation price. Enviromed made a pre-tax profit of £546,000 in the year to September against a £432,000 loss in the previous four months. The final dividend is passed.

Lada stalled

The planned privatisation this month of 50 per cent of the Lada car plant has been postponed, because of disputes between the Russian government and Lada's management. VAZ, which owns the Lada plant, said last week it would sell off 27.5 per cent to the public for vouchers and 22.5 per cent for cash. Fiat, the Italian carmaker, which built the plant, has been discussing taking a 30 per cent stake for the past 18 months.

Bid lapses

The 7½p a share bid for Baillie Gifford Technology, the investment trust, has lapsed with acceptances of less than 1 per cent. Stephen Hargrave, a former financial journalist, and Luke Johnson, former analyst, have ended up with 75,789 shares. The shares held at 16p.

Dundee slips

Pre-tax revenue at Dundee & London Investment Trust fell to £1.9 million (£2.5 million) in the year to October. The final 6p a share dividend makes 9p (12p). Net asset value was 303.4p a share (220.8p).

BOC moves to split company's top role

By Patricia Tehan

PATRICK Rich, chairman and chief executive of BOC, the industrial gases and healthcare group, has surprised the City with news yesterday that he is to split his role, appointing Alexander (Pat) Dyer, currently deputy chairman, as chief executive.

The move comes less than two weeks after BOC disappointed shareholders, by saying it would not raise its dividend for the current year to September 1994, and issued a warning over future prospects. The shares are well below their 770p high for the year. Yesterday they rose 4p to 638p.

BOC said the main reason for the job split was to address corporate governance concerns of shareholders who were irritated by the combined role. Given Mr Dyer's age, 61, a year younger than Mr Rich, analysts said BOC has not addressed the question of succession. However, a BOC spokesman said the change was designed to provide a period of stability and gave the company more time to select a successor. Mr Rich is due to retire at 64, and Mr Dyer has indicated he will stay on until he is 65. The appointment takes effect immediately and Mr Rich will become non-executive chairman. Mr Dyer joined BOC as managing director of its gases operation in 1989. He is well thought of, having spent most of his career in the gas business.

US problems cut hole in profits at Dawson

By Susan Gilchrist

RETAILER pressure and overcapacity in the American consumer textiles market took its toll on Dawson International, the textiles group, resulting in a 41 per cent drop in interim profits.

Pre-tax they fell from £15.5 million to £9.2 million for the six months to September 25 on turnover 5 per cent ahead at £221 million, compared with £211 million. The interim dividend is unexpectedly cut from 2.9p to 1.5p. The City took fright and initially marked the shares down 27p to 146p.

Operating profit of Dawson's consumer products division slumped from £8.5 million to £723,000. Sir Ronald Miller, chairman, said the main culprit was JE Morgan Apparel in America, which made "a substantial seven-figure dollar loss." The company was particularly badly hit by overcapacity in the jersey and fleece sector and the need to hold excess stock, which the group admitted had "ballooned". A provision of £2 million has been made. Action is being taken with the closure of four plants and a staff reduction from about 2,500 to 1,700. Sir Ronald warned that the sale of the company had not been ruled out. US losses offset strong growth from Dawson Premier Brands, where operating profit rose from £8.8 million to £12.8 million.

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Glaxo allays fears over R&D spending

By Sarah Bagnall

GLAXO, the pharmaceuticals group, yesterday sought to allay City fears that its vast expenditure on research and development would reduce profitability, while reaffirming its commitment to maintaining its innovative leadership.

Shares in Glaxo were marked up for the second consecutive day, rising 12p to 683p after a 16p increase on Monday, before easing back to 667p.

Glaxo gave its first briefing to analysts on its strategies, research and development programmes, and market and product performance worldwide since December 1991. The group is the biggest spender on new drugs R&D in the world and at the presentation, Richard Sykes, deputy chairman and chief executive, reaffirmed the commitment to investing in innovation. The group spent £739 million, 15 per cent of sales, on R&D in the year to end-June and has earmarked £850 million for this year.

Dr Sykes stressed the long-term nature of the business and highlighted the rapidly changing healthcare environment. He said: "Pressures on the providers of healthcare, which are similar the world over, are clearly affecting the business environment, while the biological explosion is transforming the scientific environment. This in turn is influencing the management of drug discovery," he said.

Glaxo tried to quash analysts' concerns that its R&D spending was not feeding through into sales and doubts that it could find a replacement for Zantac, the world's best-selling drug, which generated £2.1 billion of sales out of Glaxo's total sales of £4.9 billion in the last financial year but is due to come off patent soon.

Glaxo announced new data on sales in the US on one of its new drugs, Imigran, the migraine drug. It was launched in March in an injectable form and sales in the first seven months to October totalled $115 million. This, the company stressed, was 20 per cent more than Zofran, the recently launched anti-nausea treatment, sold in the first seven months on the US market. Glaxo said it was waiting for US approval to sell Zofran in a tablet form.

Glaxo told the gathering of 1,500 fund managers and brokers that it had a record number of drugs in development and that it planned to file for regulatory approval for five drugs between 1994 and 1996. In the average course of events Glaxo could expect to be given a go-ahead on a drug two years after seeking approval. It added that drug sales in developing markets could triple over the next five years.

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... top of his voice because the ... easily, it was like shaving" — which is not ... JEREMY KINGSTON ... Changes Everything". The Theatre Club has arranged a special evening ... Alexander Hanson and Kathryn Evans in *Love*

Share prices bounce back to close near the day's high

STOCK MARKET

SHARE prices and goverment bonds surged in late trading, impressed by Chancellor Kenneth Clarke's determination to reduce the massive public sector borrowing requirement.

His proposals to reduce government borrowing by £5½ billion in the current year, and by £7 billion, to stand at £38 billion, in 1994/5, was warmly received in the Square Mile and exceeded even the most optimistic forecasts.

Share prices, which had been running out of steam before he stood up to make his maiden Budget speech, dramatically rebounded, with the FT-SE 100 index closing near its best of the day with a rise of 31.1 at 3,166.9. An earlier gain of 25 points had been more than halved before the proposals were announced. Government bonds also rebounded by almost £½.

Elsewhere in the market, merchant banks were firm, but **Kleinwort Benson** stood out with a 15p rise to 523p, after 524p, as Credit Lyonnais Laing changed its stance on the stock from a hold to a buy and upgraded its profits expectations. Neil Baker, an analyst at CLL, has raised his current pre-tax profits forecast for Kleinwort by £14 million to £91.5 million, with next year's estimate increased by £6.5 million to £95 million.

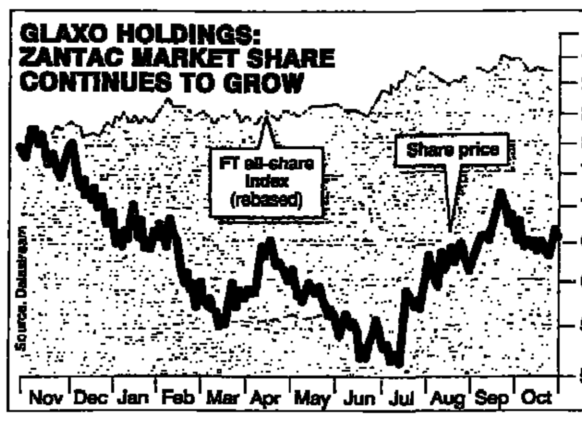
Mr Baker anticipates improved conditions for corporate banking and corporate finance, with deals seen to be picking up, especially in some of the higher margin areas such as mergers and acquisitions. **Hambros** gained 17p to 372p, **S G Warburg** 15p to 857p and **Schroders** 18p to £11.88p.

Glaxo was up 5½p to 676½. It issued a confident trading statement to analysts, with a prediciton that emerging markets around the world would provide it with significant growth.

Glaxo told analysts that market share for Zantac, its key ulcer treatment, continued to grow, despite patent expiry in some markets.

The television sector was again in the spotlight, with the effects of Monday's agreed £758 million takeover of Central TV by Carlton Communications still being felt in the City.

Central was again on the rise following its meteoric 405p advance on Monday, gaining a further 73p to £26.46, while **Carlton** jumped 34p to 831p. The proposed merger continued to spur other possible television station targets. **LWT Holdings** rose another 12p to 591p, after 603p, on rumours that stakeholder **Granada**, up 10p to 473p, may put in a bid for the other London television broadcaster. **HTV Group** added 1p to 99p, **Scottish TV** 23p to 489p and **Yorkshire** 2p to 178p.



There was a two-way pull on **Powell Duffryn**, up 1p to 614p, as James Capel changed its stance on the fuel distribution to specialist engineer from a buy to a hold. This follows a recent reiterated buy recommendation from BZW.

Shares in **Eastern Electric** climbed 8p to 596p as it kicked off the regional electricity companies' results season with an advance in first half profits and a 20 per cent rise in its interim dividend.

There were other gains for most of the sector. **East Midlands** added 7p to 568p, **Norweb** 6p to 643p, **Southern** 6p to 608p and **South Wales** 7p to 648p. The City was disappointed by worse than expected interim results at **Dawson International**, which showed a drop in pre-tax profit from £15.8 million to £9.2 million and an unexpected cut in the dividend. Shares in the group, famous for its Pringle of Scotland knitwear, were marked down 37p to 136p.

H Young Holdings, the distribution group, firmed 4p to 56p as the group returned to the black with pre-tax profits last year of £787,000 compared with a loss last time of £1.48 million. Operating profits were 41 per cent higher. The group gave warning that the recovery remained patchy, but it is now in a position to begin the next phase of its development programme. An abortive acquisition in Germany cost £231,000, but the group is still on the lookout for suitable companies.

There was little joy for shareholders of **Verson International**, which remains deep in the red with pre-tax losses of £2.81 million compared with £5.6 million. Gross margins continue to improve, and there were signs of improved order intake in both the US and UK. The shares ended the day ½p lower at 11¾p.

☐ **GILT-EDGED** drifted lower before the Budget, anxiously awaiting details of the next auction, but rebounded by around £½ after the speech. The December series of the long gilt future fell nine ticks to £115¾ with 17,000 contracts completed.

MICHAEL CLARK

MARKETS AT A GLANCE

THE POUND

US $ .... 1.4815 (-0.0055)
German mark .... 2.5411 (-0.0017)
Exchange index .... 81 7 (-0.1)
Bank of England official close (4pm)

STOCK MARKET

FT-SE 100 .... 3166.9 (+31.1)
Dow Jones .... 3686 18 (+8 38)*
Nikkei Avg .... 16406.54 (+327 83)

INTEREST RATES

London Bank Base 5½%
3-month Interbank .... 5⁷⁄₁₆-5⁵⁄₁₆%
US Federal Funds .... 3¹⁄₁₆%*
3-month Treas Bills 3.14-3.13%*
Long Bond 6.31%*

CURRENCIES

New York:		London:	
£:$	1 4845*	£:$	1 4849
$:DM	1 7168*	£:DM	2.5489
$:SWfr	1 5015*	£:SWfr	2.2281
$:Ffr	5.9330*	£:Ffr	8.8150
$:Yen	109.05*	£:Yen	161.78
£:SDR	1.0698	£:ECU	1.3232

London Forex market close

GOLD

London Fixing ($):
AM 370.80 .... PM 370.90
Close 370.00-370.50
New York:
Comex 369.35-369.85*

OIL

Brent Crude .... $14.30 per bbl (Jan)

RETAIL PRICES

RPI .141.8 Oct (1.4%) Jan 1987=100
* Denotes midday trading price

MAJOR CHANGES

RISES:

Barclays	584p (+14p)
Hambros	372p (+17p)
Kleinwort Benson	523p (+15p)
SG Warburg	857p (+15p)
Bass	503p (+10p)
Chubb Sec	365p (+15p)
Courts Furnish	858p (+15p)
Kingfisher	690p (+11p)
BICC	404p (+22p)
THORN EMI	944p (+16p)
A Kershaw	680p (+10p)
Reckitt & Colman	645p (+11p)
Bristol Scotts	130p (+27p)
Granada	473p (+10p)

FALLS:

Liberty	555p (-10p)
Mitel	361p (-10p)
Metrotect	130p (-24p)
Spirax-Sarco	333p (-12p)

Closing Prices Page 33

German steel giants in talks on alliance

By Colin Narbrough, World Trade Correspondent

KRUPP and Thyssen, the two big names of German steel, are aiming for an agreement this month that would wed extensive parts of their steelmaking operations to form "Deutsche Stahl", a group that would dominate the nation's steel industry.

The two companies, Thyssen and Krupp-Hoesch, have been engaged in discussions for months, but a meeting set for December 16 is expected to be decisive for plans to bring together the Ruhr district steel producers' capacity in areas such as tin plate and stainless steel plate.

The companies have made no secret of the fact that mergers in such areas are under discussion, but industrial analysts believe that the alliance sought could go much wider.

However, the extent of the merger of steel activities under a separate company is likely to depend on the outcome of efforts by the European Commission to achieve a Community-wide pact to eliminate 30 million tonnes of crude steel capacity.

The steel arm of Thyssen, where Heinz Kriwet is chairman of the board of management, is expected to post a loss of up to DM1 billion for the financial year to end-September.

Overall group results due to be issued today are expected to show a net loss of about DM500 million, after a DM550 million loss at half way, and include an announcement that the dividend is to be omitted after paying DM6 last time. Krupp-Hoesch is expected to report a loss of more than DM500 for 1993.

Thyssen and Krupp-Hoesch combined run four of Germany's six hot-rolling mills, producing two thirds of the country's total 24 million tonnes output of hot wide strip. Brussels is seeking Community-wide cuts of 19 million tonnes in hot strip capacity and wants at least one German mill to be eliminated.


Heinz Kriwet, of Thyssen, which is expected to post a loss

RECENT ISSUES

Abacus (140)	163	...
Abtrust Emrg Econ	89½	+ ½
Abtrust Emrg Econ Wts	48	...
Abtrust LLoyds Insce (100)	93	...
Abtrust Lloyds Wts	39	...
Aliders (170)	190	...
Amicable Sir Ent (100)	101	...
Angerstein (100)	93	...
Angerstein Wts	39	...
Azlan (230)	251	+7
BTR Wts 1998	53	-2
Badgerline (115)	112	...
Biotrace Intl (130)	150	...
CLM Insce (100)	98	...
Canadian Pizza (200)	192	...
Charles Sidney (110)	108	...
Cleveland Trust (100)	111	...
Coal Invs	17	...
Crest Packaging	134	...
DFS Furniture (260)	278	+3
Delian Lloyds Inv Tst (100)	97	...
Emerald Energy (1)	1¼	...
Fenchurch (180)	178	+2
Finsbury Undrwrtng Inv	106	+1
For & Col Emerg Mkts Wts	56	...
Gartmore (168)	176	+1
Greyfriars Inv Wts	11	...
HCG Lloyds Inv Tst (100)	99	...
Hiscox Select Ins Fd (100)	105	+1
Hozelock (250)	250	...
Independent Insce (225)	283	+2
Johnson Fry Utilities (100)	101	...
Johnson Fry Zero Pf (100)	103¼	...
Lilliput (135)	126	...
Litho Supplies (190)	195	...
London Insrnce Mkt (100)	100½	...
Masthead Insce (100)	99	...
Morgan Gren Eqty C (100)	100	...
New London Capital (100)	94½	...
Roxboro (230)	238	...
Ruberoid (150)	165	+2
Smlr Cos Inv Tst C (135)	141	...
Syndicate Capital (100)	97	...
Syndicate Capital Wts	33	+1
Thrgmrtn Prf Inc (100)	102	...
Towry Law (190)	186	+1
Ugland Intl	102	...
Wigmore Prop Inv (100)	94	...
Wigmore Property Wrts	36	+1

RIGHTS ISSUES

Ferromet n/p (¼)	1¼	...
Graystone n/p (11)	¼	...
IMC Inds n/p (3¼)	½	...
Raglan n/p (100)	3	...
Rhino n/p (44)	9	...
Scottish Metrlp n/p (85)	4½	- ½
Siebe n/p (485)	64	...
Ugland n/p	1¼	...
Wyevale Grdn Cntrs n/p (152)	13	+1

Blue chips give Dow early gain

New York — Blue chip shares, helped by strength in the Dow Jones industrial average's three oil components, held their modest gains at midday.

The Dow Jones industrial average was up 8.38 points at 3,686.18, while shares declining in price led those advancing by about ten to eight. US treasuries were mostly lower, with the long bond down more than a point to yield 6.31 per cent. "The Dow is not an accurate representation of reality because the oil stocks are keeping it in positive territory," a trader said.

☐ **Tokyo** — Shares closed higher after sharp ups and downs triggered by remarks by key ministers and the Bank of Japan governor on economic stimulus measures. Firm futures also supported cash prices. The Nikkei index closed up 327.83 at 16,406.54. Comments by the Bank governor, finance minister and trade minister indicating that the government could take steps to revitalise Japan's economy and the Tokyo stock market helped boost share prices at the close. About 320 million shares were traded.

☐ **Sydney** — Despite falling oil prices, oil stocks moved up. Dealers said that some investors believed concerns over tumbling oil prices may be exaggerated. The all-industrials index rose 1.0 to 2,0009.4.

☐ **Hong Kong** — The market staged a strong rebound and the Hang Seng index closed up 112.44 points, or 1.25 per cent, to close at 9,125.21, reversing early losses.

☐ **Frankfurt** — German share prices finished the session with strong gains, but had fallen back from early highs as an initial rally ran out of steam. The Dax index closed up 14.34 points at 2,057.77. *Reuter*

WALL STREET

	Nov 30 midday	Nov 29 close
AMP Inc	58	57¾
AMR Corp	66½	67
Abbott Labs	29	29¼
Aetna Life	61	60½
[illegible]		
Deluxe Corp	34¼	35
Detroit Edison	32¼	32¾
Digital Equip	36¼	36¼
Dillard Dept St	40¾	41½
Disney (Walt)	40¾	39¼
Dominion Res	44½	44¾
Donelley (RR)	28½	28¾
Dover Corp	58¾	58¾
Dow Chemical	57¼	57¼
Dow Jones	36¼	36¼
Dresser	19¾	20
Duke Power	42¾	42¾
Dun & Brdstreet	63½	63¾
Du Pont	47¾	48
Eastman Kodak	61½	61½
Eaton Corp	50	50¾

	Nov 30 midday	Nov 29 close
Emerson Elec	57¾	57¼
Engelhard Corp	24	24¼
Enron Corp	31½	31½
Energy Corp	36¼	37
[illegible]		
Natl Service Ind	24¾	24¼
Navistar Int	25¼	25¼
NBD Bancorp	29	29¾
NY Times A	25	24¾
Newmont Mng	52¼	52
Niag Mohawk	20¾	20¾
Nike B	48¾	48¾
NL Industries	4¾	4¾
Nordstrom	35¼	35¾
Norfolk Sthrn	69	67¼
Nthn State Pwr	42¼	42¾
Norwest Corp	22¼	23
Nynex Corp	42¼	43¼
Occidental Pet	17¼	17½
Ohio Edison	22½	22¼
Oracle Systems	31¼	30¾

	Nov 30 midday	Nov 29 close
Oryx Energy Co	18¾	18¾
Owens Corning	46¾	46¾
PNC Financial	29¾	29¼
PPG Industries	71¼	71¼
[illegible]		
US West	46¾	46¼
United Tech	62¾	61¼
Unocal Corp	27½	27¼
Upjohn	31½	31½
VF Corp	43¾	43¼
WMX Tech	26¼	26¼
Wal-Mart Stores	28½	29¼
Warner-Lambert	66¾	66¼
Wells Fargo	118	118¾
Westinghouse El	14½	14¾
Weyerhaeuser	43¾	43¼
Whirlpool	59	59
Whitman	15¼	15¼
Winn Dixie	54¼	54½
Woolworth	23½	22¾
Wrigley (Wm) Jr	43	43¼
Xerox	82¾	82¾

FT-SE VOLUMES

ASDA Gp	4,500	Cadbury	1,900	MEPC	393	Scot Power	1,400
Abbey Natl	3,500	Caradon	2,400	Marks Spr	3,000	Sears	1,800
Alld-Lyons	1,400	Carlton Cms	4,600	NFC	461	Svrn Trent	897
Anglian W	841	Coats Vly	3,300	NatWst Bk	3,300	Shell Trans	4,500
Argyll Gp	4,100	Cm Union	2,100	Nat Power	2,200	Siebe	650
Arjo Wiggn	4,400	Courtaulds	1,800	Nth Wst W	661	SmKl Bch	2,700
AB Foods	27	Enterpr Oil	2,200	Nthrn Fds	3,700	Smith Nph	873
BAA	871	Forte	4,100	P & O	2,700	Southern Elec	243
BAT Inds	5,500	GRE	1,200	Pearson	3,700	Std Chartd	680
BOC	2,300	GUS	879	PowerGen	2,000	Sun Allnce	1,700
BP	6,300	Gen Acc	2,100	Prudential	3,400	Tl Gp	796
BT	6,600	Gen Elec	6,200	RMC	302	TSB	4,200
BTR	7,000	Glaxo	9,700	RTZ	2,200	Tesco	3,900
Bk of Scot	1,600	Granada	3,500	Rank Org	876	Thames W	850
Barclays	5,600	Grand Met	3,200	Reckitt Col	1,400	Thrn EMI	1,000
Bass	1,200	Guinness	2,600	Redland	642	Tomkins	1,700
Blue Circle	1,100	HSBC	1,300	Reed Intl	2,500	Unilever	1,400
Boots	2,300	Hanson	8,000	Rentokil	584	Utd Bisc	483
Bowater	783	ICI	2,500	Reuters	835	Vodafone	2,200
Brit Aero	2,600	Inchcape	1,700	Rolls Royce	4,700	Warburg (SG)	684
Brit Airwys	5,300	Kingfisher	1,400	Ryl Ins	3,800	Wellcome	2,000
Brit Gas	5,300	Ladbroke	4,400	Ryl Bk Scot	2,300	Whtbd 'A'	1,300
Brit Steel	4,600	Land Secs	589	Sainsbury	2,200	Wlms Hld	974
Burmah Cast	654	Legal & Gn	760	Schroders	105	Wolseley	1,200
Cable Wire	4,100	Lloyds Bk	2,600	Scot & New	652	Zeneca	2,500

MAJOR INDICES

New York (midday):
Dow Jones .... 3686.18 (+8.38)
S&P Composite .... 462.07 (+0.17)

Tokyo:
Nikkei Av'ge .... 16406.54 (+327.83)

Hong Kong:
Hang Seng .... 9125.21 (+112.44)

Amsterdam:
CBS Tendency .... 136.9 (+0.8)

Sydney: AO .... 2009.4 (-1.0)

Frankfurt:
DAX .... 2057.77 (+14.34)

FT 30 share: .... 2418.7 (+22.9)

Brussels:
General .... 7100.56 (+5.23)

Paris: CAC .... 592.07 (-0.17)

Zurich: SKA Gen .... 633.60 (+3.20)

London:
FT A All-Share .... 1556.45 (+13.18)
FT 500 .... 1666.57 (+13.12)
FT Gold Mines .... 225.1 (-5.8)
FT Fixed Interest .... 125.87 (+1.23)
FT Govt Secs .... 104.18 (+0.24)
Bargains 28176
SEAQ Volume 576.3m
USM (Datastrm) .... 149.00 (+0.02)

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
November 22	December 3	February 24	March 7

Call options on 30/11/93: Aberdeen Tst, Babcock Intl, Chloride Group, Enterprise Comp, Greycoat, HTV, Hambro, Countryside, Ladbroke, LWT Hldgs, Marshalls, MGN, Microvitec, Signet, Tomkins, Verson Intl. **Put:** Greycoat. **Puts & Calls:** BTR Wts 98, Betterware, Division Grp, Lloyds Chem, Shoprite, Yorkshire TV.

LONDON FINANCIAL FUTURES

	Period	Open	High	Low	Close	Volume
FT-SE 100	Dec 93	3156.0	3190.0	3150.0	3185.0	19685
Previous open interest: 69786	Mar 94	3176.0	3204.0	3171.0	3202.5	1522
Three Month Sterling	Dec 93	94.61	94.65	94.60	94.62	27866
Previous open interest: 394171	Mar 94	94.81	94.85	94.77	94.84	22089
	Jun 94	94.85	94.94	94.82	94.92	15139
Three Mth Eurodollar	Dec 93	96.51	96.51	96.48	96.49	86
Previous open interest: 14695	Mar 94	96.41	96.41	96.35	96.36	42
Three Mth Euro DM	Dec 93	93.86	93.87	93.82	93.84	26698
Previous open interest: 732116	Mar 94	94.60	94.60	94.54	94.56	35102
Long Gilt	Dec 93	115-29	116-25	115-22	116-20	26051
Previous open interest: 134830	Mar 94	115-04	116-02	114-31	115-29	54516
Japanese Govmt Bond	Dec 93	116.60	116.63	116.49	116.50	158
	Mar 94	115.70	115.79	115.62	115.64	2349
German Gov Bd Bund	Dec 93	99.92	99.95	99.70	99.77	95461
Previous open interest: 153696	Mar 94	100.01	100.02	99.80	99.86	24330
Three month ECU	Dec 93	93.36	93.36	93.28	93.32	2298
Previous open interest: 35971	Mar 94	94.08	94.08	94.01	94.03	2045
German Gov Bd Bobl	Dec 93	102.88	102.94	102.75	102.80	3211
Previous open interest: 20692	Mar 94	103.04	103.04	102.94	102.98	1911
Euro Swiss Franc	Dec 93	95.58	95.58	95.54	95.56	4251
Previous open interest: 57871	Mar 94	96.19	96.19	96.14	96.17	2437
Italian Govmt Bond	Dec 93	112.35	112.45	110.85	111.32	49955
Previous open interest: 110217	Mar 94	112.50	112.65	111.48	111.92	31412

MONEY MARKETS

Exchange index compared with 1985 was down at 81.7 (day's range 81.7-81.9).

STERLING SPOT AND FORWARD RATES

Mkt Rates for Nov 30	Range	Close	1 month	3 month
Amsterdam	2.8506-2.8624	2.8589-2.8624	⅛-¼ds	¼-⅜ds
Brussels	53.80-54.03	53.92-54.03	11-15ds	24-31ds
Copenhagen	10.0620-10.1110	10.0770-10.0990	2⅜-3¼ds	5¾-7⅛ds
Dublin	1.0510-1.0536	1.0511-1.0534	10-13ds	24-31ds
Frankfurt	2.5395-2.5505	2.5472-2.5505	¼-⅜ds	½-⅝ds
Lisbon	259.98-261.42	260.78-261.42	107-185ds	334-449ds
Madrid	208.50-209.49	209.27-209.49	80-86ds	181-214ds
Milan	2523.60-2540.80	2529.10-2533.10	8-10ds	22-24ds
Montreal	1.9836-1.9912	1.9836-1.9865	0.29-0.23pr	0.52-0.43pr
New York	1.4844-1.4883	1.4844-1.4854	0.26-0.25pr	0.72-0.70pr
Oslo	11.0420-11.0830	11.0570-11.0800	½-⅞ds	1-¾pr
Paris	8.7820-8.8220	8.8080-8.8220	1⅛-1⅜ds	2⅝-3⅛ds
Stockholm	12.5460-12.6340	12.5460-12.5850	1⅞-3¼ds	5-6¼ds
Tokyo	161.65-162.48	161.65-161.91	½-⅜pr	1⅜-1¼pr
Vienna	17.84-17.95	17.91-17.95	⅜-1⅛ds	⅝-2½ds
Zurich	2.2163-2.2296	2.2266-2.2296	¼pr-par	⅜-⅜pr

Source: Extel — *Premium - pr. Discount - ds.*

OTHER STERLING

Argentina peso*	1.4845-1.4871
Australia dollar	2.2542-2.2575
Bahrain dinar	0.555-0.567
Brazil cruzeiro*	346.43-347.87
Cyprus pound	0.7625-0.7725
Finland marka	8.627-8.743
Greece drachma	361.5-368.5
Hong Kong dollar	11.4870-11.4963
India rupee	46.24-47.20
Kuwait dinar KD	0.44-0.45
Malaysia ringgit	3.8037-3.8078
Mexico peso	4.55-4.65
New Zealand dollar	2.7259-2.7328
Saudi Arabia riyal	5.5345-5.6605
Singapore dollar	2.3780-2.3811

DOLLAR SPOT RATES

Australia	1.5151-1.5163
Austria	12.0-12.1
Belgium (Com)	36.18-36.22
Canada	1.3364-1.3374
Denmark	6.7681-6.7781
France	5.912-5.917
Germany	1.7087-1.7097
Hong Kong	7.725-7.726
Ireland	1.4129-1.4149
Italy	1704.1-1705.6
Japan	109.02-109.12
Malaysia	2.558-2.559
Netherlands	1.9162-1.9172
Norway	7.426-7.436
Portugal	174.85-175.15

LIFFE OPTIONS

	Series	Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Alld Lyon	550	49½	61	66	7½	13½	24
(*595)	600	16½	31½	37½	27	34½	49
Argyll	260	23½	31½	36	9	12	18½
(*278½)	280	12	21	26	18	21½	29
ASDA	50	7½	9	11½	2½	4½	5½
(*54½)	60	3	5	6½	7½	10½	11½
Boots	500	48	59½	67½	4½	11½	19

	Series	Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
BAA	900	57	79	94½	11½	22½	32½
(*937½)	950	28	50	66	32½	44	54½
Thames W	500	40	52½	58½	6	12	25
(*528½)	550	11½	23½	31	28½	33½	49
	Series	**Feb**	**May**	**Aug**	**Feb**	**May**	**Aug**
BAT Ind	500	44	49	54½	12½	23½	30½
(*524½)	550	16	23	29½	37½	52	58½

	Series	Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Abby Nat	390	21½	32	35½	4	15	19
(*406)	420	4½	15	20½	20½	32	36
Amstrad	45	4½	7½	9	2	4½	6
(*47)	50	2	5	7	5	7½	8½
Barclays	550	41	59½	62	4	15½	22½
(*584½)	600	9	27	35	23	39	45½
Blue Circ	300	26	36	40½	4	9	17

COMMODITIES

COMMODITY REPORT: Cocoa and coffee had an easier afternoon as both markets received little support from their US counterparts. Cocoa looked on the edge of a correction, with the market focusing again on liquidation in near Dec ahead of its first tender day today. Coffee fell back further on a weaker New York which many traders perceived was struggling at the highs.

LONDON COMMODITY EXCHANGE

COCOA

Dec	980-979	Mar	1018-1017
Mar	1042-1040	May	1021-1020
May	1040-1039	Jul	1024-1023
Jul	1039-1038	Sep	1033-1031
Sep	1040-1039		
Dec	1018-1017		Volume: 11940

ROBUSTA COFFEE ($)

Nov	unq	Jul	1216-1215
Jan	1278-1277	Sep	1220-1210
Mar	1244-1243	Nov	1223-1208
May	1223-1220		Volume: 2018

NO.7 PREMIUM RAW SUGAR (6.00pm)

		Oct	10.74-10.97
Spot: 264.3		Jan	unq
Mar	10.55-10.66	Mar	unq
May	10.80-10.94	May	unq
Jul	10.96-11.13		Volume: 221

WHITE SUGAR (FOB)

Reuters		Oct	273.5-71.8
Spot: 290.0		Dec	272.5-69.8
Mar	280.5-79.0	Mar	274.0-71.3
May	282.0-81.0	May	277.5-73.3
Aug	286.4-84.7		Volume: 397

MEAT & LIVESTOCK COMMISSION
Average fatstock prices at representative markets on November 30

(p/kg lw)	Pig	Sheep	Cattle
GB:	70.79	91.06	119.54
(+/-)	+1.02	+4.21	+1.30
Eng/Wales:	70.42	91.00	117.84
(+/-)	+0.50	+3.59	+2.02

GNI LONDON GRAIN FUTURES

WHEAT (close £/t)

Jan	99.95
Mar	101 05
May	102.90
Jun	104.15
Sep	90.25
	Volume: 214

BARLEY (close £/t)

Jan	103.90
Mar	105.50
May	107.25
Sep	92.50
Nov	94.90
	Volume: 0

HI-PRO SOYA (close £/t)

Aug	unq
Oct	—
Dec	—
Feb	—
Apr	—
	Volume: 0

POTATO

(£/t)	Open	Close
Mar	120.0	110.0
Apr	87 5	89.1
May	109.0	106.8
		Volume: 61

ICIS-LOR (London 6.00pm): News that Russia was likely to cut oil exports in December nudged prompt prices higher.

CRUDE OILS ($/barrel FOB)

Brent Physical	14.15	+0.15
Brent 15 day (Dec)	14.40	+0.15
Brent 15 day (Jan)	14.30	+0.05
W Texas Intermediate (Jan)	15.30	-0.05
W Texas Intermediate (Feb)	15.55	-0.10

PRODUCTS ($/MT)
Spot CIF NW Europe (prompt delivery)

	Bid	Offer
Premium Gas .15	156 (-1)	158 (-1)
Gasoil EEC	159 (-2)	160 (-2)
Non EEC 1H Dec	167 (n/c)	169 (n/c)
Non EEC 1H Jan	162 (-1)	164 (-1)
3.5 Fuel Oil	56 (n/c)	59 (n/c)
Naphtha	142 (+1)	144 (n/c)

IPE FUTURES GNI Ltd

GAS OIL

Dec	159.00-59.25	Mar	150.75-51.25
Jan	156.00-55.25	Apr	149.50-49.75
Feb	153.25-53.50	May	149.00-49.50
			Vol: 21876

BRENT (6.00pm)

Jan	14 37-14.38	Apr	14.84 BID
Feb	14.50-14.52	May	15.01-15.05
Mar	14.67-14.69		Vol: 15.20 BID

UNLEADED GASOLINE

Dec	151.00 BID	Mar	159.00 SLR
Jan	153.00 SLR	Apr	167.00 SLR
Feb	156.00 SLR		Vol: 115

BIFFEX
GNI Ltd ($10/pt)

	High	Low	Close
Nov 93	unq	...	1264
Dec 93	1255	1248	1248

مكتب الاعلام

Japan's economy needs bitter pill to cure 'foreign disease'

Joanna Pitman

says recovery chances will vanish unless changes are made to the country's industrial base

Silence greeted yesterday's moderate recovery on the Tokyo Stock Exchange as investors reflected on the almost complete absence of immediate salutory economic news, on the apparent lack of customary technical market support from the government and on the prospect of more uncertainty and depression.

Following a disastrous performance on Monday, when the stock market lost almost 4 per cent of its value, the Nikkei index pulled off a faltering recovery yesterday, regaining 327.83 points to close at 16,406.54. The stock market *has taken a pounding* since its peak in December 1989. The Nikkei average has fallen 60 per cent, performing an erratic roller coaster ride that has wiped $3,000 billion off the value of Tokyo stocks.

There are many reasons for the latest outbreak of short-term nerves among investors. First, more grim corporate profit forecasts have depressed investor confidence. Car manufacturers expect to see profits fall 55 per cent, machinery makers 51 per cent and shipping companies 95 per cent.

The banking sector, which last week announced half-year profits down by an average of 22 per cent, is expected to offload Y500 billion (£3.1 billion) worth of share holdings to support bad debt burdens estimated at about $285 billion.

Second, the yen/dollar exchange rate has depressed the export earnings of manufacturers, many of which had calculated budgets on the basis of a threshold of Y110 to the dollar. Closing yesterday at Y109, the exchange rate shows no signs of easing and exporters are having to adjust to the possibility that the yen could again surge to its August high of parity with the cent at Y100 to the dollar.

Third, investors were treated yesterday to more grim economic indicators. Unemployment was up in October to a six-year peak of 2.7 per cent. Industrial production registered its largest ever monthly fall in October, down 5.1 per cent from a month earlier. Construction orders in the same month fell 24 per cent, and a government survey showed that 62 per cent of companies have decided they will have to cut jobs to weather the recession.

Fourth, the large institutional investors who trigger market movements are thought to be preparing for a round of profit taking, followed by reinvestment in faster growing investment opportunites in other countries in the Asia Pacific region.

There is an alarming perception among Tokyo's elite business and financial communities that the Japanese economy has contracted some of the "foreign diseases" that afflict most mature western economies.

Floor dealers and Tokyo's market have taken a pounding since 1989 with $3,000 billion being wiped off share values

Suddenly, Japan is having to face up to a damaging combination of such unfamiliar burdens as a rising unemployment rate, a rapidly ageing society and its related growing welfare burden, and depressed consumption levels.

But what bothers the majority is the realisation that the prospects of breaking out of the current impasse, the chances of a *significant* revival of slowed GNP growth rates, will vanish unless painful structural changes are made to the country's industrial base.

In the last month, Japan's private sector economic research institutes have all made drastic downward revisions of their forecasts for GNP growth for fiscal 1993. *Sumitomo Life Research Institute* is due this month to release a figure of -0.4 per cent growth and the six other leading think tanks attached to institutional investors will announce growth forecasts of between -0.5 and -1 per cent.

The four-month-old coalition government, undermined from the start by its very make-up as the representative of seven political parties of wildly differing beliefs, is in a tight economic bind. Shocked into inaction, the economic and financial representatives in Prime Minister Morihiro Hosokawa's cabinet appear unable to offer even a few crumbs of temporary verbal comfort.

On taking office in August, Mr Hosokawa reportedly pledged to introduce a five-year-old package of political reforms before the end of the year or resign, a commitment that has sent the financial markets into a spin over his perceived neglect of more important issues such as measures urgently needed to prop up the economy.

While ageing and scandal-tainted politicians have dominated parliamentary time with ruminations over finer details of a putative new electoral system, pending parliamentary business concerning economic revival measures, including a Y4,000-6,000 billion fiscal stimulus package, *has been kept waiting*.

Income tax cuts totalling at least Y5,000 billion are deemed necessary to boost domestic consumption along with a postponement until 1996 of the planned accompanying consumption tax increase. The markets are also hoping for a reduction in the official discount rate from 1.75 per cent to 1.25 per cent, and a new Y2,000 billion rise in public works expenditure.

Few would pretend that these uncertain proposals are more than quick-fix measures. The recognition is growing that Japan's industrial and administrative base needs to shift gears and rationalise itself into a more streamlined and cost-efficient system. Hisashi Hosokawa, director-general at the ministry of international trade and industry (MITI), said: "Manufacturing companies are being told that they must rationalise themselves, that they should no longer rely on being supported by the government. Excess costs must be cut, overproduction must end and industrial sectors must be streamlined, through tie-ups if necessary."

According to Isamu Miyazaki, chairman of the Daiwa Institute of Research and a member of a government advisory panel, there may be more rises in unemployment and depressed market performances in the short term if the plans are adopted, but in the longer term Japan will benefit from a freer and leaner business environment.

A total of 10,942 regulations concerning distribution, welfare and financial structures, will be reviewed with at least 1,000 targeted for abolition. One million jobs could be created within five to ten years as a result, the panel reported to the government this week.

Another high level private sector advisory committee on industrial restructuring released a report on Monday that claimed that macroeconomic structural adjustments would lift economic growth by about 0.6 per cent.

A comprehensive industrial restructuring of a "survival of the fittest" variety could result in more bankruptcies, but would also produce a stronger stock market and a return of economic indicators to the more buoyant levels customary in the past. Japan's recession may yet lack any visible signs of a turnround, but the country's economic performance should not be written off. It should not be forgotten that Japan's recent economic tumbles began from a relatively high position.

The country's balance sheet is still remarkably strong and the population is bracing itself for more short-term austerity in order to prosper in the long term. Japan has pulled off such restructurings before. It is tackling much the same problems with much the same methods. It will deserve to win much the same result: a more resilient and competitive country.

TEMPUS

The great Eastern

AT FIRST glance, Eastern Electricity's 20 per cent interim dividend rise looks like a gauntlet thrown down at the feet of Professor Stephen Littlechild at Offer, as the industry begins to knuckle down to the long negotiations ahead of next summer's publication of the new formulae governing the distribution business.

At second glance, it looks pretty much the same, too. Although there is an element of rebalancing between the final and interim payouts, Eastern is likely to settle in due course for a 70:30 split respectively. This would suggest a total 22p of dividends for the full year, a jump of almost 15 per cent. While the rest of the distributors are unlikely to top this, rises of 13 and 14 per cent will not be uncommon for the current year. Contrast this with the water companies, which are set to content shareholders with a "paltry" 7 or 8 per cent over the same period. Eastern and its brethren will point to the undoubted efficiencies achieved since flotation in 1990 — staff numbers for Eastern off another 17 per cent over the past year — and to the special bonuses such as the £30 million the company will have handed out to its customers by then. Fair enough; but set against this is the fact that Eastern, the most heavily burdened with some £260 million debt at privatisation, now has nil gearing.

Eastern, once the least highly regarded of the distributors, has made up lost ground under John Devaney, the new chief executive, and stands in the middle of the pack on a forward yield of 4.7 per cent. If the rest of the industry reports in similar rumbustious style in the coming weeks, regulatory fears will come increasingly to the fore.

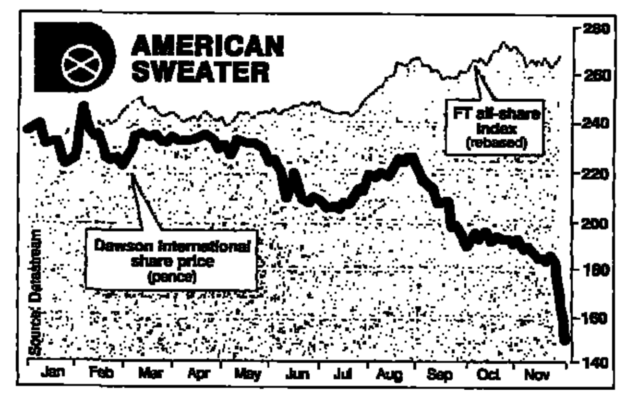
Dawson

STRANGE how the nastiest corporate disasters often emerge on Budget day, when everyone is looking elsewhere. But if Dawson International had hoped yesterday the market might overlook the sudden collapse in its US business and the halving of its dividend, it was sorely mistaken.

The most worrying aspect of the group's half-year figures was the sharp rise in borrowings and stock levels, which make the group's balance sheet look less robust. Little wonder it felt obliged to cut its dividend savagely to preserve cashflow.

The state of the balance sheet makes it tough for Dawson to organise a fast exit from its low-margin, high-volume fleece and jersey clothing business, since the cash drain from a closure or a fire sale would be too great a burden. As a result, Dawson must continue the painful rationalisation of its ill-judged diversification. The £4.5 million provision for stock writedowns and restructuring is likely to be the first of many, since stores like K-Mart will not go easy on their suppliers' margins.

The strength of Dawson's principal branded knitwear business underpins the group to some extent, while the shares, after yesterday's fall, are trading close to net asset value. These factors should support them, and may even create some takeover adrenalin. But the scale of Dawson's US misadventure makes it a share for widows and orphans to avoid.



Glaxo

NOTHING that Glaxo says will restore the share price to its former glory until the full effect of American healthcare reforms is understood, but yesterday's update served to remind the market that Glaxo's chemists have been busy while the company's lawyers battle with generic drug manufacturers. Glaxo has 16 compounds bubbling in the lab, of which five are earmarked for regulatory filings from next year, including a new ulcer drug.

Imigran, Glaxo's product for migraine sufferers, is selling well in America and the company has FDA approval for Serevent, one of its two asthma products, which is achieving good growth in Europe. Nevertheless, Zantac still accounts for 44 per cent of turnover and the initial positive reaction in the share price had much to do with reassuring noises about Zantac's market share in Europe and the US, where the company is facing discounting from SmithKline Beecham.

Glaxo's strategy to meet worldwide changes in the healthcare market is to emphasise the high cost, high value-added approach — based on a massive R&D spend — but the company will be unable to resist pricing pressures in the North American markets, which account for 43 per cent of sales. Markets outside Europe and the US make up only 16 per cent of turnover and they are unlikely to replace the American gravy train in the short term, regardless of their growth prospects. But Glaxo has the financial clout to continue its high spending, and the shares, at 15 times 1994 earnings, have discounted most of the perceived threats. The stock still offers a forecast dividend yield of 4.7 per cent, which is generous for a company which is expected to raise the payout by at least 12 per cent this year and next.

THE TIMES CITY DIARY

Gettys break new ground

AS the City gets down to the serious task of unravelling the Budget, the all-powerful Getty family is quietly breaking into UK corporate finance. Mark Getty, formerly of Hambros Bank, has teamed up with Jonathan Klein of Hambros to launch a new investment company on today behalf of the Getty family. They are joint shareholders in Blueprint Associates, a London firm that will advise Getty Investment Holdings, a newly formed Delaware company. The money is being put up by various Getty trusts and individuals, Hambro Group Investments and Jacob Rothschild's RIT Capital Partners. "GIH will be seeking to acquire control of UK companies with the objective of building a highly focused group over the longer term," says South African-born Klein, 33, who remains a director of Hambros and will continue to act as a consultant on South Africa. He steps aside on a high note, having just played a key role in the bank's biggest successful deal — the £6 billion restructuring of Rothmans and Dunhill on behalf of Richemont, the tobacco and luxury goods group. The choice of name for the venture says a lot about the dining habits of the people involved. Klein is a regular at Sir Terence Conran's Blue Print Café at Butlers Wharf.

Hide and seek

ONE of the unwritten rules of public relations is that if you have something unpleasant to announce, do it at 5 o'clock on a Friday evening, or on a day when a bigger news story will be occupying the enquiring minds of journalists. So it was interesting to find Dawson International, the textiles group that owns the Pringle and Ballantyne brands, choosing Budget Day to reveal an unsavoury 41 per cent drop in profits and 48 per cent cut in the dividend. A company spokesman insists the date for the results was set way back in June and argues that it is, in fact, the Chancellor who was hiding behind Dawson's figures. Well, it's original.

Attallah: reduced stak

Quids in

JOHN Ellwood, debonair head of external affairs at Capital House in Edinburgh, has always been a popular fellow. He is even more popular in thrifty Scotland after confessing — in a rare moment of indiscretion — that he backed England to win the rugby match on Saturday and won £85 for his prescience. "If you can get England to beat the All Blacks and make 85 quid, you know something," says Ellwood, who is fighting off calls to the bar.

Breakfast trail

LIFFE traders, in their multi-coloured jackets, beat a trail along Cannon Street yesterday morning to sample the latest innovation from Corney & Barrow — breakfast. The local branch of the City-backed wine bar and restaurant chain hopes to win a few regulars from among the 1,500 or so boys and girls on the floor at *Cannon Bridge*.

That figures

DEVOTEES of *The Oldie*, the satirical magazine jointly founded by former *Private Eye* editor Richard Ingrams and Naim Attallah, chief executive of Asprey, breathed a sigh of relief in September, when a last-minute pledge by new backers prevented it from sliding under. Now, fans have noted with some interest that the magazine is advertising for a part-time book-keeper — a professional whose numeracy can only be of help. The most recent financial problems were precipitated when Attallah said he wanted to reduce his investment of 51 per cent due to his new commitments at Asprey.

IN New Zealand, a letter bearing the sticker: "Without concern, no justice. Without justice, no peace. Without peace, no future." has been returned to the puzzled sender with a fourth line added: "Without address, no delivery."

JON ASHWORTH

Output expected to grow 1¾ % this year

In the first taxes-and-spending Budget, the Chancellor said economic growth this year had been encouraging. Growth was expected to accelerate next year to 2½ per cent. No risks would be taken with inflation

The following are extracts from the *Financial Statement and Budget Report* (FSBR or Red Book) on recent developments and prospects for the economy.

UK demand and output

As a result of the rebasing of the national accounts to 1990 prices and other data revisions, the trough in GDP is now estimated to have occurred in the first quarter of 1992. During the recession, non-oil GDP fell by 3¾ per cent, rather less than the 5¼ per cent fall in the early 1980s recession.

The recovery has proceeded fairly steadily so far, with an uninterrupted expansion in GDP of 2½ per cent over the six quarters to the third quarter of 1993. Output has risen in most sectors. North Sea oil and gas output has risen particularly strongly, the fruit of heavy investment in recent years. Output has increased by about 2½ per cent in both manufacturing and services, and service sector output is now above the level seen at the peak of the cycle.

Faster UK growth is forecast for 1994, with GDP increasing by 2½ per cent, 2¼ per cent excluding North Sea oil. This acceleration largely reflects a pick-up in business spending: improved company finances and modest increases in capacity utilisation should boost spending on fixed assets and stocks. Export growth should increase a little as continental Europe recovers, although imports are forecast to grow more strongly too. Annual growth in non-oil GDP is forecast to be slightly stronger again in the first half of 1995, but with growth of North Sea output slowing, total GDP growth is forecast to remain at 2½ per cent.

Personal sector and housing

Consumer spending started to recover in the second quarter of 1992, having fallen 3¾ per cent in the recession. By the third quarter of 1993 most of this fall had been reversed, with spending rising on average by ½ per cent a quarter. The initial recovery followed a substantial fall in interest rates and was accompanied by strong growth in real personal disposable income. This year, however, growth of aggregate real incomes has weakened and the saving ratio has fallen from 12¼ per cent in 1992 to an estimated 11¼ per cent in the first three quarters of the year. Weaker real income growth is mainly the result of the slowdown in real average earnings growth and small increases in dividend income following strong growth in 1992.

Events of the past eighteen months have shown that consumer demand can recover while the housing market remains weak. Even so, a stronger housing market would help underpin the consumer recovery. The housing market has shown signs of emerging from its slump, but both turnover and prices have moved erratically in 1993. It is clear that the Autumn Statement package of measures designed to take empty properties off the market played an important role in the recovery of turnover in the early months of the year. Indeed there was a small surge in housing starts in the spring as builders sought to replace properties sold into the programme. While the early pace of recovery was not sustained, with some weakening in the summer, activity and prices in the third quarter were both well above their troughs.

Prospects

With mortgage rates at their lowest levels since 1969 and house prices lower in relation to incomes than since 1985, home ownership is more affordable than for many years. Now that prices are rising, unemployment is falling and there is a growing perception of more general recovery. Increasing confidence should lead to higher activity and prices in 1994.

Personal sector spending is likely to remain restrained by past standards, given a desire for further balance sheet adjustment. Nevertheless there are reasons for expecting a further decline in the saving ratio. Unemployment has begun to fall, reducing the need for precautionary saving. Inflation is forecast to remain low, reducing the need of households to save to maintain the real value of their financial wealth, and lower interest rates have eased the burden of household debt.

A decline in the saving ratio, combined with continued growth in real personal disposable income, should permit consumption to increase in 1994 at around its recent rate. Despite the tax increase due to take effect, real personal disposable income could rise by 1 per cent in 1994, the same as in 1993, largely reflecting recoveries in self-employment and net investment incomes. Numbers of self-employed in work have been increasing and net investment income is being boosted by lower interest rates and high rates of net accumulation of financial assets.

In addition there is the prospect of rising real income from wages and salaries before tax. Consumers' expenditure is forecast to rise by 2¼ per cent in 1994, following an increase of 2 per cent in 1993. Personal sector investment in dwellings — which includes both new houses and improvements to existing houses — is expected to grow faster than for several years as housing market activity increases.

Financial position

Although the saving ratio is forecast to fall and housing investment to rise, the personal sector financial balance is projected to remain in sizeable surplus in 1993 — around 6 per cent of personal disposable income. The debt/income ratio has fallen over the past couple of years. And with interest payments falling sharply as a result of lower interest rates, the burden of debt is much reduced.

North Sea

North Sea output rose 8 per cent in 1992 and it has risen even faster during 1993. In 1993 as a whole, output is expected to be around 15 per cent higher than in 1992, with a further rise of nearly 20 per cent forecast in 1994. Oil output is expected to be in the upper half of the 1993 Brown Book range. Gas output, which has increased strongly this year, is forecast to rise further. As a consequence of higher production, the surplus on trade in oil is forecast to rise to £4 billion in 1994, its highest since 1987.

Investment intentions have improved over the past year, and are now pointing to modest growth in manufacturing investment over the year ahead. Moreover, the improvement in companies' profitability and balance sheets will ease constraints on investment. The degree of spare capacity will, on the other hand, continue to be a restraining influence until recovery is further advanced. Business investment is forecast to rise by 3¾ per cent in 1994 and by 4½ per cent in the year to the first half of 1995.

SHORT-TERM ECONOMIC PROSPECTS

% changes on previous year unless otherwise stated	1992	1993	1994	Av'ge errors in past f/cast[1]
GDP and domestic demand at constant prices				
Domestic demand of which:	¼	1½	2½	1¾
Consumers' expenditure[2]	0	2	2¼	1¾
General govmnt consumption[2]	¾	0	1	1
Fixed investment	−1½	½	3	4
Change in stockbuilding[3]	¼	0	½	½
Exports of goods and services	2½	4	5¾	2
Imports of goods and services	5¾	2	5¼	3¼
GDP (average measure)	−½	1¾	2½	1½
Non-North Sea GDP	−½	1½	2¼	1½
Manufacturing output	−¾	2	2¼	2
Balance of Payments				
£ billion	−8½	−9½	[4] −9½	7
percent of GDP	−1½	−1½	−1½	1
Inflation				
Retail prices index (Q4)	3¾	3	3¼	1
Producer output prices (Q4)[6]	2	3¼	[5] 3	1
GDP deflator at mkt prices (fncl yr)	3¾	3¼	4	1¼
Money GDP at mkt prices (fncl yr)				
£ billion	602	636	678	-
percentage change	4	5½	6½	2
PSBR (financial year)				
£ billion	36½	50	38	10
per cent of GDP	6	7¾	5½	1½

[1] *Average errors regardless of sign over past 10 years (apply to forecasts for 1993 or 1993-4.* [2] Expenditure adjustment. [3] Percent of GDP. [4] At annual rate. [5] Q2. [6] Excluding *food, drink and tobacco.*

Government investment

General government investment is fixed assets rose 8¼ per cent in volume terms in 1992, and is projected to rise by a further 11¼ per cent in 1993, in part due to the temporary relaxation of the rules for spending out of local authority capital receipts. In 1994 it is forecast to fall 3 per cent, as this temporary measure unwinds. But government investment is projected to remain at historically high levels.

Labour market

Employment rose between March and June 1993, for the first time in three years. The fall in employment during the recession was partly associated with a productivity performance which was abnormally strong for a cyclical downturn, perhaps reflecting the effects of labour market reforms. Although the recent turnround in employment was accompanied by a slowdown in productivity growth, non-oil productivity in the second quarter of 1993 was still 3¾ per cent up on a year earlier, and manufacturing productivity in the third quarter was 5 per cent up. As the recovery becomes more established, annual productivity growth could fall further from its recent high rates.

Unemployment

Unemployment rose by 1.4 million between April 1990 and its peak in January 1993 - considerably less than the fall in employment. But by October 1993 it had fallen 137,000. This is a much better performance than expected by most at the time of the March Budget.

Trade and balance of payments

The introduction from 1 January of a new system for recording visible trade with the European Community — Intrastat — has made it extremely difficult to interpret recent trade performance. Not only have the figures recorded in the first few months of the new system been more liable to revision than usual, but some of the movements — such as sharply divergent changes in imports from the European Community and from elsewhere — are difficult to explain. Due to the new method of collection there may well have been a break in the European Community trade figures at the start of the year, implying that year-on-year growth rates in 1993 are unreliable. Part of the problem may lie with the split of values into prices and volumes. As the new system settled down, however, shorter period movements should become more reliable. In the meantime, the forecast gives more weight to the fundamental influences on trade performance than to recent outturns.

Competitiveness

The main influences on actual trade flows over the next year or so are the improvement in competitiveness already achieved and the cyclical position in the UK compared with elsewhere. Cost competitiveness so far in 1993 has turned out much as expected. Unit labour cost performance costs in manufacturing could be 1 per cent lower than in 1992, and they are forecast to remain unchanged in 1994. By contrast competitors' unit labour costs have been rising and are expected to continue to rise. Cost competitiveness, after allowing for exchange rate changes, was probably around 20 per cent better in the third quarter of 1993 than a year earlier, and is forecast to remain close to that level during 1994. On the recorded figures export price competitiveness has improved much less. This may partly reflect exporters taking the opportunity of the lower exchange rate to widen profit margins which had previously been squeezed, but it is also possible that the recorded increase in export prices is too high.

Imports

The recorded figures for imports so far this year are lower than past experience would have suggested. Although the effect of the improvement in competitiveness may have been stronger than in the past, it is possible that the import volume figures in 1993 are understated by comparison with the figures for earlier years. The sharp fall in imports from the European Community is particularly difficult to understand against a background of little change in imports from elsewhere. Recorded non-oil import volume growth may be only 2½ per cent in 1993, following a rise of 7 per cent in 1992.

The forecast assumes that the usual relationships between the growth of imports, domestic demand, and competitiveness are re-established from now on. These point to UK imports growing faster than UK domestic demand, reflecting the progressive specialisation of world production. Increased specialisation is evident in the consistently higher rates of growth for measures of world trade than for measures of world demand and output.

Although improved competitiveness will be a moderating influence on import growth, its effect is unlikely to be strong enough to bring underlying import growth below domestic demand growth. Non-oil imports are forecast to increase by 5¾ per cent in 1994.

Exports

The sustained improvement in competitiveness will help UK exporters to increase their market penetration. But overseas demand is itself weak. UK export markets may grow by only a little more than 1 per cent in 1993 because of the particular weakness of demand in continental Europe.

In 1994, however, UK export markets are forecast to rise 4 per cent. Recorded non-oil exports may be around 3½ per cent higher in volume terms in 1993 than in 1992. But the statistical problems discussed earlier may have reduced recorded export growth — actual growth may have been somewhat stronger. In 1994, non-oil export growth is forecast to be around 5¾ per cent.

Trade prices

Recorded prices for both exports and imports have moved erratically in 1993, with no clear trends. Non-oil import prices have risen about 10 per cent in the year to the third quarter, less than exchange rate and world price changes would imply. This may be because importers are finding it difficult to pass on the exchange rate effects fully in the face of low consumer and producer price inflation in the UK. Non-oil export prices have also risen 10 per cent — again a good deal slower than world prices measured in sterling. Comparing 1993 as a whole with 1992, the terms of trade, as recorded, may improve by around 1¼ per cent, recovering from their sharp fall in the immediate aftermath of last year's devaluation. Little change is expected in 1994.

Current account

The current account deficit in 1992 has been revised down to £8½ billion, from £12 billion estimated at the time of the March Budget. The deficit is forecast to rise slightly to £9½ billion in 1993, with a fall in the invisible surplus partly offset by a smaller visible deficit, and to remain at that level in 1994.

Invisibles

The surplus on invisibles in 1992 was £5 billion, well above early estimates. The surplus on net interest, profits and dividends (IPD) was particularly strong in the second half of the year, at £4 billion, compared with under £2 billion in the first half. But much of the increase probably resulted from abnormally high activity in the foreign exchange markets around the time of last year's ERM crisis. High IPD surpluses have not been sustained in the first half of 1993. And the balance of transfers — consisting largely of net transfers to the European Community and aid and other government spending overseas — has continued to deteriorate.

The balance on services, on the other hand, which was depressed by insurance claims relating to Hurricane Andrew in the second half of 1992, rebounded strongly in the first half of 1993. It should also benefit from the improvement in competitiveness.

Inflation

Both cost and price inflation have been significantly lower during 1993 than forecast a year ago and in the March Budget. Despite the depreciation of sterling, underlying inflation, as measured by the RPI excluding mortgage interest payments (MIPs), is expected to be lower at the end of 1993 than at the end of 1992.

Earnings

Underlying average earnings growth was 3 per cent in September, down from 5½ per cent a year earlier. Pay settlements have also continued to fall. Latest data from the CBI show the average of settlements in manufacturing and services at about 2½ per cent in the third quarter, compared to over 4 per cent a year earlier.

Big reductions to be made in public deficit

Kenneth Clarke said public finances had to be placed on a sound footing. Budget measures should take more than £20 billion in total off the PSBR over the next three financial years

PUBLIC SECTOR BORROWING

£ billion[1]	'92-3	'93-4	'94-5	'95-6	'96-7	'97-8	'98-9
General govmt expenditure	261.1	281	292	312	324	335	345
Genl govmt receipts	223.3	230	252	280	301	322	341
GGBR	37.8	51	39	32	23	14	4
Public corporations market and overseas borrowing	−1.1	−1	−1	−2	−2	−2	−2
PSBR	36.7	50	38	30	21	12	2
Money GDP	602.5	636	678	723	766	806	846
PSBR as % of money GDP	6.1	7¾	5½	4¼	2¾	1½	¼

Rounded to the nearest £1 billion from 1993-4 onwards

OUTPUT AND INFLATION

	1993-4	1994-5	1995-6	1996-7	1997-8	1998-9
Money GDP	5½	6½	6¾	5¾	5¼	5
Real GDP:						
Non North Sea	1¾	2¼	2¾	3	3	3
Total	2	2½	2¾	3	3	3
Inflation:						
RPI excluding MIPs[1]	3	3¼	3	2½	2¼	2
GDP deflator	3¼	4	3¾	2½	2¼	2

[1] *Percentage change in year to 1993 Q4 and 1994 Q4; Perentage change on previous financial year thereafter.*

THERE follow extracts from the Red Book on the government's medium term financial strategy (MTFS).

The medium-term monitoring ranges of 0 to 4 per cent for narrow money (M0) and 3 to 9 per cent for broad money (M4) are unchanged from those set in the 1993-4 MTFS. However, M0's monitoring range will remain under review, as there is still considerable uncertainty about the trend of M0 in relation to GDP.

Funding policy will continue on the basis set out in the 1993-4 MTFS, with sales of debt to banks and building societies from 1993-4 onwards counting as funding in the same way as sales of debt to other sectors. It was announced in March that sales of gilts to banks and building societies in 1992-3 — which were not at that stage counted as funding and totalled £6.8 billion — would be taken into account in implementing funding policy over the following two to three years. Funding operations so far this year have not made any use of this flexibility. But the government's intention is that full account will be taken of it between now and the end of 1994-5, so that gilt sales will be some £6.8 billion lower than indicated by the normal operation of the full fund policy. This will help to ease the exceptional degree of cash shortage in the money markets, which has resulted in large part from the gilt sales to banks and building societies in 1992-3.

Fiscal policy

The objective of the government's fiscal policy is to bring the PSBR back towards balance over the medium term, and in particular to ensure that when the economy is on trend the public sector borrows no more than is required to finance its net capital spending.

The direct effects of the tighter public expenditure ceilings and increases in tax revenues announced in the Budget will build up over time and will reduce the PSBR by some 1¼ per cent of GDP by 1996-7. But the pace at which the PSBR declines will also depend significantly on the growth of the economy over the medium term. On the basis of the main projections for activity and inflation the PSBR is expected to return steadily towards balance. By 1997-8 the current deficit is eliminated. By the end of the five-year period covered by the MTFS the PSBR is broadly in balance.

The economy in the medium term

Output growth averages around 3 per cent a year over the medium term, as the economy moves back toward trend. These growth assumptions are similar to the average of the projections made by the Panel of Independent Forecasters, and close to those in the March 1993 MTFS.

Spare capacity will continue to put downward pressure on inflation over the medium term and underlying inflation is projected to fall to the lower half of the government's 1 to 4 per cent target range by 1996-7.

Fiscal projections

The PSBR is projected to fall rapidly over the next few years, and by 1998-9 it is broadly in balance.

The public sector's current account deficit falls rapidly and is projected to have disappeared by 1997-8. Publicly financed capital spending is projected to remain roughly constant over the period to 1996-7 covered by the Survey, and to grow in line with the control total thereafter.

Public expenditure

In 1997-8 and 1998-9 the new control total is assumed to grow by 1 per cent a year in real terms.

The ratio of general government expenditure (GGE), excluding privatisation proceeds, to GDP was on a downward trend for much of the 1980s. In recent years, the impact of the recession has caused it to rise. The new plans will reduce the GGE ratio from 1994-5 onwards.

Public sector debt

Public sector debt is rising rapidly as a per cent of GDP and this is increasing the burden of debt interest payments. With the new public spending plans and the tax measures announced in the Budget, the net public sector debt ratio peaks at around 44 per cent, below the levels of the first half of the 1980s, before starting to fall in 1997-8. The general government gross debt ratio peaks at about 51 per cent.

Official spending to fall as share of economy

The Chancellor said that over the next three years government spending was expected to grow substantially less than the economy. Control totals for public spending had been cut

Extracts from the Red Book on government spending plans.

Introduction

The Government's objective is to cut public spending as a share of national income over time. The public spending plans set out in this Budget are consistent with that. In each of the three survey years, the new plans are well below the figures set out in the last Financial Statement and Budget Report (FSBR). Control of public spending will therefore contribute significantly more to reducing the public sector borrowing requirement than expected at the last Budget.

New Control Total

The government's plans for public spending are set in terms of the new control total (NCT). This covers 85 per cent of total spending, but excludes the two areas of expenditure most affected by the cycle. A full description of the NCT and its components was given in the 1992 Autumn Statement.

The control totals for the three survey years 1994-95,1995-96,1996-97, have been set at £251.3 billion, £263.0 billion and £272.3 billion. These are £3.6 billion, £1.5 billion and £2.9 billion below the figures in the last FSBR. The control totals include reserves of £3.5 billion in 1994-95, £7 billion in 1995-96 and £10.5 billion in 1996-97.

In real terms (i.e. deflated by the GDP deflator) these figures imply a fall of 1¼ per cent in the NCT in 1994-1995 and rises to 1 per cent in 1995-1996 and 1996-1997. Average real growth over the three-year period is less than ¼ per cent a year, well below the 1½ per cent ceiling established by the government last year. The effect is to lower the path of real NCT growth for the second successive survey.

Over the past two surveys, the original plans for 1994-95 have been cut by £7 billion.

1993-1994 outturn

The control total for 1993-94, is forecast at £244.7 billion. This is an underspend of £0.4 billion compared with the plans set in last year's Autumn Statement, after taking account of classification changes. Higher social security spending within the control total and higher net contributions to the European Communities together account for most of the reserve of £4 billion. £1.7 billion of the claim on the Reserve reflects higher support for local authorities, mainly in respect of rent rebates and allowances and mandatory student awards.

General Expenditure

The Government's ultimate public spending objective is expressed in terms of general government expenditure excluding privatisation proceeds. This is a wider aggregate than the NCT and includes debt interest, elements of social security spending which are significantly affected by the cycle and various accounting adjustments needed for consistency with the national accounts, general government expenditure is now expected to grow by just under 1 per cent a year on average over the three Survey years, substantially below the expected growth of the economy. As with the NCT, the rate of growth is sharply down on the projected path in the last financial statement and budget report, and represents a marked slowdown on the growth seen over recent years.

In 1993-1994, GGE (excluding privatisation proceeds) is estimated to be around £1 billion lower than forecast in the March FSBR, due mainly to lower spending on cyclical social security. GGE (excluding privatisation proceeds) is expected to be some £3 3/4 billion lower in the 1994-1995 as a result of the Budget. Over the three Survey years, the Budget reduces GGE by a total of £10 billion. Public expenditure restraint therefore contributes about the same as revenue increases to the reduction in the PSBR over the next three years. In 1994-1995, spending contributes about twice as much as revenue.

Provision for pay throughout the rest of the public sector has been set on a comparable basis. The general government paybill is not therefore expected to change much next year, except where major workload changes are projected.

Capital spending

Total public sector capital spending in 1993-94 is expected to total £23.8 billion, up from £23.2 billion in 1992-93 and £21.5 billion in 1991-92. Details are set out in Table 5.3.

In 1994-95 public sector capital spending, which is measured net of receipts from asset sales, is expected to be £22¼ billion. The compared with this year mainly reflects the profile of capital spending local authorities. This follows the decision announced in the last Autumn Statement to relax for a limited period the rules governing the use receipts by local authorities. Spending financed by this window will continue for a number of years, but at a steeply diminishing rate. In addition investment associated with a number of large-scale projects, particularly relation to the Channel Tunnel, has now passed its peak of activity.

The level of public sector capital spending beyond 1994-95 particularly uncertain. After allowing for a stylised allocation from Reserve, based on historic expenditure shares (see Annex A, paragraph 5A it is expected to be at about the same level in 1996-97 as in 1994. There is a temporary dip in 1995-96, reflecting the expected salemarried quarters by the Ministry of Defence.

Public sector capital spending was maintained at high levels during the recession. As the recovery continues, capital spending by the private sector is likely to rise and that in the public sector to fall.

The overriding need for public spending to contribute towards the reduction in public borrowing means that capital spending will not be sustained at levels as high as in 1993-94. Even so, tight control of public sector pay and civil service running costs has enabled the Government to sustain capital spending at a level higher than would otherwise have been possible.

Strong gains at the close

ACCOUNT DAYS: Dealings began November 29. Dealings end December 10. §Contango day December 13. Settlement day December 20. §Forward bargains are permitted on two previous business days. Prices recorded are at market close. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

BANKS, DISCOUNT, HP

BREWERIES

BUILDING, ROADS

BUSINESS SERVICES

CHEMICALS, PLASTICS

DRAPERY, STORES

ELECTRICALS

ELECTRICITY

FINANCE, LAND

FINANCIAL TRUSTS

FOODS

HOTELS, CATERERS

INDUSTRIALS

INSURANCE

INVESTMENT TRUSTS

LEISURE

MINING

MOTORS, AIRCRAFT

NEWS, PUBLISHERS

OILS, GAS

PAPER, PRINT, ADVTG

PROPERTY

SHOES, LEATHER

TEXTILES

TOBACCOS

TRANSPORT

WATER

BRITISH FUNDS

SHORTS (under 5 years)

MEDIUMS (5 to 15 years)

LONGS (over 15 years)

UNDATED

INDEX-LINKED

JEREMY KINGSTON

THE TIMES UNIT TRUST INFORMATION SERVICE

	Bid	Offer	+/-	Yld %
AIB UNIT TRUST MANAGERS LTD 51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259 783				
Grofund Amer	164.60	173.20†	-1.20	...
Grofund Equity	233.10	246.70	+1.60	1.65
Grofund Euro	186.40	196.30	-0.50	...
Grofund Expt Bal	112.40	116.50	-1.00	1.10
Grofund Gilt	80.55	83.04	-0.09	4.56
Grofund Japan	152.40	160.40†	+1.40	...
AXA EQUITY & LAW UNIT TST MGRS Equity & Law Hse, Corpn St, Coventry 0203 553 231				
General Acc	508.30	540.80	+2.90	2.32
General Inc	458.00	487.30	+2.70	2.32
UK Growth Acc	346.30	368.50†	+2.00	2.50
UK Growth Inc	242.60	258.10†	+1.40	2.50
Higher Inc Acc	646.20	687.50†	+2.70	3.52
Higher Inc Inc	386.40	411.10†	+1.60	3.52
Gilts/Fxd Int Acc	190.90	201.60	...	5.66
Gilts/Fxd Int Inc	97.58	103.00	...	5.66
Nth America	263.70	280.60†	-0.30	...
Far East	320.70	341.20†	+6.80	0.08
Europe	253.30	269.50	+0.40	0.95
Brit Excell	70.52	75.03†	+1.29	2.55
Brit Fndmntls Acc	98.41	104.70	+0.40	4.30
Brit Fndmntls Inc	74.68	79.45	+0.29	4.30
Global Opps	80.52	85.66†	+0.26	0.04
Balanced Acc	52.23	55.57†	+0.24	2.39
Balanced Inc	51.77	55.08†	+0.25	2.39
ABBEY UNIT TST MGRS 80 Holdenhurst Rd, Bournemouth 0345 717 373				
High Income				
Gilts & Fixed Int	138.80	147.10	+0.20	5.44
High Inc Equity	161.80	172.10†	+1.40	4.57
Worldwide Bond	272.30	288.70†	-0.90	3.64
Capital Growth				
American Growth	302.80	322.10	-1.10	.98
Asian Pacific	335.90	357.30	+3.00	.26
Assets & Earnings	246.80	262.50†	+5.30	2.07
Comdty & Energy	106.90	113.70	-0.60	.48
1992 Enterprise	89.26	94.95	+1.89	2.02
Euro Capital Inc	118.60	126.10	+0.50	.77
General	224.10	238.30	+2.80	2.28
Japan	108.70	115.60†	+1.50	...
Mastertrust	132.30	140.70	+2.00	1.32
UK Growth Dist	123.80	131.60†	+0.30	2.17
US Emerging Cos	128.10	136.30	-0.60	...
Income & Growth	376.50	400.50†	+2.90	3.28
Ethical	69.05	73.45	-0.05	2.48
International	104.00	110.60	+0.50	.45
Dividend & Growth	60.90	64.78	+0.25	4.34
Global Gwth & Sec	63.91	67.98	...	2.79
ABERFORTH UNIT TRUST MGRS LTD 14 Melville St, Edinburgh EH3 7NS 031 220 0733				
UK Small Cos	1565.0	1632.0	...	...
ABTRUST UNIT TRUST MGRS LTD 10 Queens Terrace, Aberdeen AB9 1QJ 0800 833 580				
Aberdeen Portfolio	59.36	60.56	+0.17	0.82
Amer Inc & Growth	45.14	47.63†	-0.28	0.66
Cash	50.51	50.51	..	5.12
European	94.73	100.50	-0.14	...
European Income	92.29	98.02†	-0.27	1.53
Exempt	966.30	1013.2†	+3.90	3.77
Extra Income	50.85	55.56	+0.03	4.74
Far East Emg Ecn	109.90	118.50	-0.03	0.55
Fixed Interest	24.35	25.99	+0.05	7.10
Fund Inv Tst	160.80	171.70†	+0.50	0.99
Japan	177.50	189.10	+0.10	...
Latin American	64.18	68.23	-0.72	0.74
Pacific	70.37	75.36	-0.06	0.36
Property Share	69.52	74.21	+0.21	1.77
UK Emerging Cos	61.56	65.70	+0.36	1.89
UK Growth	43.44	46.80†	+0.23	2.52
World Growth	71.38	76.19†	...	0.72
Ethical	62.66	66.89	+0.07	2.65
Aberdeen Gilt Inc	55.02	55.02	-0.03	7.42
ACUMA FUND MANAGERS LTD 5 Rayleigh Rd, Hutton, Essex 0277 690 336				
UK Equity Income	91.26	97.09	-0.07	3.45
UK Equity Growth	80.57	85.71	...	2.75
European	61.61	65.54	-0.01	1.50
Nth American	66.54	70.79†	-0.82	1.03
Far Eastern	63.30	67.34†	+0.30	0.30
Money	64.89	64.89	+0.01	4.38
Fixed Interest	72.94	77.60	-0.04	6.01
Index Linked Gilt	68.69	73.07	+0.37	1.38
AEGON UNIT TRUSTS LTD 48 St Andrew Square, Edinburgh EH2 1YF 031 549 3232				
British Growth	65.30	69.47†	+0.37	2.74
British Income	76.01	80.86†	+0.24	3.51
Select Portfolio	80.23	85.35†	-0.89	...
ALLCHURCHES INV MGMT SVS LTD 101 King's Road Brentwood CM14 4DR 0452 305 958				
Amity Income	74.39	78.93	+0.18	2.07
Income Builder Inc	67.29	71.58	+0.20	2.84
ALLIED DUNBAR UNIT TSTS PLC Allied Dunbar Centre, Swindon SN1 1EL IFA dlg: 0793 610 366 Client dlg: 0793 514 514				
Balanced Trusts				
Growth & Income	236.80	253.10	...	2.98
Capital	399.70	427.20	...	1.87
Balanced	678.80	725.60	...	2.36
Accumulator	1217.0	1300.0†	...	2.90
Income Trusts				
American Income	50.29	53.74	...	3.03
High Income	416.60	445.30	...	3.55
Equity Income	235.90	252.10	...	3.43
High Yield	256.40	274.00†	...	3.43
Govt Securities	34.56	36.48†	...	4.91
International Trusts				
Amer Spec Sits	135.40	144.70	...	0.30
European Growth	30.84	32.75	...	0.73
International	147.20	157.10	...	0.38
Japan	176.80	188.80	...	0.01
Pacific	373.50	399.20	...	0.25
Secs of America	424.30	451.40†	...	0.54
Wwide Asset Val	42.92	45.88	...	0.31
Specialist Trusts				
Asset Value	519.60	555.40†	...	2.23
Conv & Gilt	47.12	50.37	..	4.03
Smaller Cos	163.50	174.70	..	1.27
2nd Smaller Cos	155.90	166.20	..	1.28
Recovery	134.90	144.20†	..	2.02
Met Min & Cdty	139.90	149.50†	..	0.90
Oseas Earnings	336.30	359.40	..	2.16
Technology	151.80	162.20†	..	0.05
UK Special Sits	432.50	462.30	..	1.99
ARKWRIGHT MANAGEMENT 1 King St, Manchester M60 3AH 0800 526 358				
Growth	133.60	142.20†	+1.80	2.05
Income	73.90	78.62	+0.02	4.35
European	54.30	57.77†	+0.22	0.95
Recovery	128.30	136.50	+0.80	1.89
B & C E UNIT TRUST MGMT LTD Manor Royal, Crawley RH10 2QP 0293 526 911				
Cntrctd Out Pens	97.51	101.30	...	1.45
Foundtn Persl Pens	62.54	64.94†	...	4.00
BSI-THORNHILL UNIT TST MGRS LTD 28 St John's Sq, London EC1M 4AE 071 251 6767				
Capital	72.32	76.93	+0.42	2.02
International	59.84	63.65	...	0.53
BAILLIE GIFFORD & CO LTD 1 Rutland Court, Edinburgh EH3 8EY 031 222 4242				
America	295.40	318.70†	-3.30	...
Bond	125.00	131.50†	+0.40	5.99
Brit Smlr Cos	92.98	98.92	+0.47	1.02
Conv & Gen	60.48	64.55†	+0.26	5.42
Energy	430.40	468.80	-14.30	0.26
Europe	205.00	218.20†	-0.80	0.69
Euro Smlr Cos	91.59	97.17	-0.18	0.99
Income Gwth	341.00	363.90†	+1.50	4.22
Japan	292.10	310.80†	+4.30	...
Pacific	111.40	118.50	+0.30	0.69
UK Smlr Cos	47.42	50.45	+0.16	1.07
Japan Fd	667.90	687.30	+4.60	...
Mngd Fd	169.00	179.80	+0.70	2.70
BANK OF IRELAND FUND MGRS LTD 36 Queen St, London EC4R 1BN 071 489 8673				
Brit & Oseas	280.60	295.40	+1.40	1.20
Capital Gwth	112.60	118.50	+1.70	2.29
Wwide Opps	184.30	194.00	+0.80	0.49
BARCLAYS UNICORN LTD 11 Broadway, Stratford E15 4BJ 081 534 5544				
Balanced Trusts				
Bust Inv Fd Inc	340.10	354.30†	+3.20	2.80
European Bd Inc	99.60	103.20	-0.10	7.24
Exempt	75.54	80.57†	+0.44	4.02
Financial	71.74	76.72†	+0.52	2.49
500.00	428.80	459.80	+1.00	2.59
General	267.20	285.80	+1.80	2.59
Property	240.30	257.70†	...	6.18
Trustee	182.00	194.60	+1.60	2.39
Income Trusts				
Cash Inc	100.70	100.70	...	4.84
Extra Income	116.30	124.40†	+0.60	4.22
Gilt & Fxd Int	61.92	64.00†	+0.09	7.88
Income	532.50	569.50	+3.10	4.05
Income Builder	65.53	69.72	+0.38	4.76
Ind Income	66.76	71.02	+0.20	2.92
Growth Trusts - UK				
Capital	115.70	123.60	+1.20	2.65
Leisure	111.70	119.40	+1.70	1.62
Recovery	397.70	425.40	+1.90	2.68
Smllr Cos Inc	38.95	41.77	+0.08	2.27
Special Sits	263.70	282.00	+2.70	2.04
Growth Trusts - Overseas				
America	130.30	138.20†	-0.90	0.23
Aust Acc	226.00	240.40	-1.20	1.50
Aust Inc	142.60	151.70	-0.70	1.50
Euro Gwth Inc	129.20	137.10	+0.20	0.47
Japan & Gen Inc	160.10	169.50	+1.50	...
Japan Spec Sits	69.99	74.15	+0.45	...
Univ Tech Inc	71.00	75.46	+0.34	0.51
Worldwide	161.80	171.80	+0.60	0.41
BARING FUND MANAGERS LTD PO Box 156, Beckenham, Kent BR3 4XQ 081 658 9002				
American Growth	98.16	104.20	-0.80	0.10
Amer Smllr Cos	128.20	137.20	-1.00	...
Cash Trust	50.25	50.25†	+0.02	5.60
Convertibles	57.56	61.24	+0.08	6.20
Eastern	255.40	275.50	-1.40	1.60
Equity Income	90.58	96.36†	+0.39	5.60
European Growth	266.30	283.00	-0.40	1.50
Europe	182.80	195.10	+0.30	1.50
German Growth	72.27	76.97	+0.24	0.70
Global Bond	69.71	73.55	-0.13	5.30
Global Growth	120.00	128.00†	+0.60	...
Japan Growth	182.10	195.20	+1.90	...
Japan Sunrise	156.80	167.20	-0.60	...
Korea Trust	60.40	64.48	+0.43	...
Portfolio	129.80	138.80	+0.20	3.20
UK Growth	89.28	94.97	+0.53	2.80
UK Smaller Cos	89.64	95.87†	+0.61	1.90
Select Managers	71.95	76.99	+0.09	2.00
BLACKSTONE FRANKS UT MGRS LTD 26-34 Old Street, London EC1V 9HL 071 250 3300				
Intl Gwth Port Inc	72.88	77.53	-1.36	...
Special Oppor Inc	48.04	51.11	-1.34	...
BREWIN DOLPHIN UT MGRS LTD 5 Giltspur St, London EC1A 9DE 071 236 6441				
Special Sits	170.30	182.10	-0.60	0.51
Dividend	79.10	84.60	-0.14	4.51
Int Gth & Inc	225.30	239.00	+0.70	2.76
UK & Gen	44.60	47.70	+0.52	1.36
Fund of Funds	62.76	67.12	-0.10	...
BRITANNIA LIFE UNIT MGRS LTD 50 Bothwell Street, Glasgow G2 6HR 041 223 6020				
Balanced Growth	103.03	110.19	+0.76	1.55
Smaller Cos	92.51	98.94†	+0.38	1.03
Higher Yield	43.01	46.00	+0.22	3.01
American Gth Inc	66.49	71.11	-0.68	...
European Growth	115.65	123.69	-0.70	0.17
Global Bond Inc	30.87	32.75†	+0.01	4.86
Mngd Ptflo Inc	40.09	42.87	-0.05	1.09
BURRAGE UNIT TST MGMT LTD 117 Fenchurch St, London EC3M 5AL 071 480 7236				
Short Dated Gilt	69.37	70.31	...	4.96
CIS UNIT MANAGERS LTD PO Box 105, Manchester M60 0AH 061 837 5060				
Environ	142.90	152.10	-0.30	1.46
UK Growth	159.70	169.90	-0.90	1.97
UK Income	133.30	141.90†	-0.50	3.99
CANADA LIFE UNIT TST MGRS LTD High St, Potters Bar, Herts EN6 5BA 0707 651 122				
Can Gen Dist	183.00	194.00	+1.20	1.86
-do- Income Dist	110.80	117.50†	+0.70	4.55
Gilt & Fxd Int	44.29	46.94	+0.03	5.92
For Cannon see Lincoln National				
CAPEL-CURE MYERS UT MGMT LTD 35 Fountain Street, Manchester M2 2AF 061 236 5685 Enq: 061 236 5685 Dlg: 061 236 5362				
American & Gen	143.50	152.70	-0.80	...
European Inc	72.41	76.61	-0.09	0.78
Far East & Gen	60.01	63.85	+0.30	...
Smaller Cos (4-1)	74.87	79.63	+0.31	1.60
Growth	408.50	436.90	-1.80	2.23
Income & Growth	410.20	436.40	+1.30	3.53
Master Portfolio	1025.3	1064.8†	-4.00	2.04
Special Sits	94.14	100.15	+1.30	2.18
High Yield	1308.0	1349.0†	+6.00	4.07
CAPITAL HOUSE UNIT TST MGRS Capital House, Festival Square, Edinburgh 031 228 4477 Dealing: 0800 333 561				
American Gwth Tst	37.54	40.14	+0.10	0.92
Cash Income	50.08	50.08†	+0.01	5.95
European Gwth	36.48	38.91	+0.06	0.90
Income & Gwth Inc	27.52	29.43	+0.11	4.20
Intnl Gwth	29.98	32.06	-0.03	0.80
Japan Gwth	24.47	26.17	+0.30	...
Managed Tst Inc	47.90	51.22	+0.09	0.51
Oriental Opps Inc	143.90	153.90	+1.20	0.64
Property Shares	41.85	44.75	+0.09	1.82
Smaller Cos	28.69	30.68†	-0.03	1.72
UK Growth Tst	24.96	26.69	+0.14	2.82
Royal Scottish Assurance				
Cap Hse Global Inc	70.44	75.33	+0.21	1.71
Cap Hse UK Inc	66.18	70.78†	+0.29	2.42
Exempt	23.59	24.26	...	...
Formerly Brown Shipley				
European Inc	24.26	25.87	+0.35	0.41
European Acc	25.16	26.83	+0.36	0.41
Financial	143.80	153.70	+1.50	1.02
Foundation	82.46	88.19	+0.22	2.89
German	49.58	52.77	-0.19	0.07
High Income	77.28	82.65	+0.20	1.00
Income	130.80	139.30	+1.00	3.89
Intl Growth	36.65	39.03	-0.13	0.16
Mngd Ptflio Inc	98.27	105.10	+0.80	1.73
Mngd Ptflio Acc	186.90	199.80	+1.30	1.73
Monthly Income	78.90	84.16	+0.54	3.83
North American	111.20	118.90	-0.20	0.15
Orient	133.80	143.10	+0.40	1.29
CAZENOVE UNIT TRUST MGMT LTD 3 Copthall Avenue, London EC2R 7BH 071 606 0708				
Cazenove Portfolio	79.29	84.81	+0.34	2.36
American Portfolio	90.01	95.94	+0.01	0.96
European Portfolio	83.42	89.07	+0.03	0.82
Japanese Portfolio	58.09	61.89	-1.03	...
Pacific Portfolio	132.85	142.85	+0.28	0.82
UK Inc & Growth	71.68	76.84	+0.23	4.14
Utility & Bond	56.27	56.98	+0.17	6.27
CENTURY UNIT TRUSTS LTD 5 Old Bailey, London EC4M 7BA 071 332 5000				
UK General Tst	64.85	68.99	+0.45	2.90
Global Tst	58.28	61.99	+0.10	0.31
Recovery Tst	66.94	71.21	+0.40	1.85
CHARTERED ASSET MGMT LTD 151 Farringdon Rd, London EC1R 3AD 071 837 7667				
Intl Growth	134.47	141.54	...	1.80
UK Growth	103.67	109.13	...	2.40
UK Income	110.27	116.08	...	4.18
CITY FINANCIAL UT MGRS LTD 1 White Hart Yard, London Bridge SE1 071 407 5966				
Beckman Intl	89.30	94.59	...	1.77
Beck Bio-Tech	42.86	45.60	...	...
Acorn Ethical Tst	153.37	161.44	...	1.15
City Fin Assets	67.22	70.76†	...	1.73
City Fin America	79.43	83.61	...	...
City Fin Intl	72.11	75.90†	...	0.52
City Fin Japan	156.44	164.67	...	...
Friars Rse Cap	261.86	275.64	+4.48	2.36
Friars Rse Inc	195.44	205.73†	+2.30	4.95
Buckley Wrld Grth	129.23	137.48	...	0.73
Fairmnt Cap Gth	133.56	140.59†	...	...
-do- Inc & Gth	108.55	114.26†	...	2.25
Fairmount Intl	148.77	156.60†	...	...
City Fin Ptflo Inc	59.43	63.22	...	3.53
CITY OF LONDON UNIT TST MGRS LTD 10 Eastcheap, London EC3M 1AJ 0392 412 144				
Emerging Markets	52.09	55.27	-0.30	...
CLERICAL MEDICAL UT MGRS LTD Narrow Plain, Bristol BS2 0JH 0800 373 393				
American Gwth	56.65	61.08	-0.34	...
Atlas Mngd Gwth	35.68	38.37	+0.05	0.19
Dragon Growth	70.33	75.22	+0.82	0.60
Equity High Inc	82.71	87.76	+0.52	3.67
European Gwth	45.64	48.42	-0.01	1.20
Evergreen	28.62	30.61	-0.04	...
General	81.32	86.28	+0.31	2.51
Gilt & Fxd Int Inc	27.45	28.85	+0.01	8.06
Japan Growth	41.79	45.27	+0.72	...
Pedigree Gwth	48.71	51.68	+0.16	2.09
Ped Sm Cos Inc	30.04	31.87†	+0.03	0.88
Retirement Inc	26.34	28.22	+0.15	5.35
Special Sits	35.29	37.74	+0.04	1.83
UK & Overseas	47.39	50.28	+0.07	2.15
COLONIAL MUTUAL UT MGRS LTD Chatham Maritime, Kent ME4 4YY 0634 898 000				
Capital	63.20	67.59	+0.34	2.84
Income	60.65	64.87	+0.27	3.84
COMMERCIAL UNION FINANCIAL MANAGEMENT INTERNATIONAL LTD Exchange Court, 3 Bedford Park, Croydon CR9 2AQ 081 686 9818				
PRESTIGE PORTFOLIO (PPT FUNDS)				
Income Funds				
Equity Inc	161.32	171.62	+0.72	5.15
Fixed & Convertible	45.47	48.37	+0.15	5.87
Monthly Inc Plus	51.84	55.15	+0.14	8.12
Preference Share	50.53	53.75	+0.08	7.08
Balanced Funds				
High Yield	129.31	137.56	+0.73	5.97
Managed Fund	66.16	70.38	+0.19	2.86
UK Growth Funds				
Smaller Cos	38.52	40.98	+0.14	2.00
UK & General	75.18	79.98	+0.47	2.71
UK Growth	132.33	140.78	+0.90	1.64
International Growth Funds				
Europe Growth	167.61	178.31	-0.29	...
Far Eastern Grth	125.28	133.28	+0.35	0.31
Global Bond	87.19	92.65	-0.29	5.76
Gold & Coms	63.21	67.00	-1.59	...
Japan Growth	103.22	109.81	+1.03	...
North Amer Grth	161.38	171.68	-1.15	...
Oriental Growth	76.89	81.80	+0.12	...
Worldwide Growth	60.55	64.41	-0.14	0.26
OTHER CU TRUSTS (NON PPT FUNDS)				
Deposit Fund	92.05	92.05	+0.01	4.90
Homemaker Fund	74.01	78.73	+0.45	1.94
Quilter Fund	133.08	141.57	+0.65	2.10
CONFEDERATION FUNDS MGMT LTD Lytton Way, Stevenage, Herts SG1 2NN 0438 744 840				
Growth Inc	56.41	60.01	+0.22	3.00
High Income	33.48	35.61†	+0.11	4.50
Japan	31.29	33.28	+0.26	...
Smaller Cos Inc	28.52	30.34†	-0.03	2.40
Smaller Cos	29.69	31.58†	-0.03	2.40
North American	32.05	34.09	-0.18	0.60
European	33.47	35.60	+0.01	0.60
CONSISTENT UNIT TST MGMT CO LTD 1 White Hart Yd, London Bridge SE1 1NX 071 407 5966				
Consistent UT	29.97	32.15	...	4.60
CO-OP PENSION FDS UT MGRS LTD 78-80 Cornhill, London EC3V 3NJ 071 283 9494				
Equity Dist	782.70	796.50†	...	3.77
CREDIT SUISSE INV FDS (UK) LTD 5 Rayleigh Rd, Hutton, Brentwood, Essex 0277 690 370				
Fellowship Tst	67.09	71.38	+0.33	1.66
Income	231.50	246.30	+1.40	3.55
Smaller Cos	135.40	144.10	+0.10	1.08
Inv Portfolio	73.50	78.20	+0.49	2.05
High Income Port	66.29	70.53	+0.49	3.75
DIMENSIONAL TST MGMT LTD 155 Bishopsgate, London EC2M 3XS 071 418 0177				
Euro Small Cos	1347.7	1374.5†	+4.30	...
Japan Small Cos	991.17	1011.0†	-70.90	...
UK Small Cos	1600.6	1681.6	+5.30	...
US Small Cos	1586.5	1622.4†	-3.90	...
DISCRETIONARY UNIT FUND MGRS 66 Wilson Street, London EC2A 2BL 071 377 8819				
Disc Inc	178.90	188.30†	...	2.90
DUNEDIN UNIT TST MGRS LTD 25, Ravelston Terrace, Edinburgh 031 315 2500				
European Gwth	228.90	242.20	-0.40	1.24
New Asia	200.80	216.80	-1.40	0.36
Japan Growth	109.00	115.70	-0.80	...
Jap Smllr Co	449.60	478.20	-0.50	...
Nth Amer	238.90	253.30	-3.60	0.96
Shltrd Asia Pac Mt	111.60	120.00	+0.80	0.52
UK Inc & Grth	211.60	225.90†	+1.40	3.59
EAGLE STAR UNIT MGRS LTD Bath Road, Cheltenham GL53 7LQ 0242 577 555				
UK Balanced Inc	134.70	143.30	+1.20	2.40
UK High Inc Inc	147.30	156.70†	+1.40	5.65
UK Pref & F I Inc	64.13	67.99	-0.04	6.48
Envrnmnl Opps	76.63	81.52	+0.38	1.51
EDINBURGH UNIT TST MGRS LTD 97 Haymarket Terrace, Edinburgh 0345 090 526				
American	119.10	126.50†	-1.20	0.40
Convertibles	23.18	24.63	+0.05	7.92
Equity Income	132.90	141.20	+0.30	3.54
EuroFund	41.75	44.18	-0.07	0.91
Growth & Inc	229.90	244.30	+0.70	3.07
High Dist	156.10	165.90†	+0.60	4.52
International	355.30	377.50	+0.20	0.86
Intl Income	92.79	99.05	-0.12	2.62
Latin American	40.63	43.17	-0.12	0.29
Pacific	77.24	82.07	+0.53	0.37
Smllr Jap Cos	66.66	70.81	...	...
Tokyo	186.50	197.90	+3.80	...
UK Smaller Cos	217.70	231.30	+0.50	1.08
Formerly Targets				
Financial	47.70	50.68	+0.38	2.38
Japan & General	143.30	152.30	...	...
Preference Share	24.36	25.88†	+0.25	7.03
ELCON LTD Central Ct, Knoll Rise, Orpington BR6 0JA 0689 70538				
Elcon Trust	206.50	219.70	+2.50	...
ENDURANCE FUND MGMT LTD 41 Harrington Gardens, London SW7 4JU 071 373 7261				
Endurance Fd	189.20	201.30	...	0.46
EQUITABLE UNIT TRUST MGRS LTD Walton St, Aylesbury, Bucks HP21 7QN 0296 431 480				
European	70.66	74.38	+0.01	1.82
Far Eastern	293.61	309.06	+2.96	1.38
High Income	130.19	137.04†	+0.71	4.53
Intl Growth	109.75	115.53	+0.52	1.26
North American	114.61	120.64	-0.21	1.04
Pelican	115.19	121.25	+1.29	3.09
Smaller Cos	71.10	74.84	+0.14	1.99
Special Sits	86.18	90.72	+0.57	1.98
Tst of Inv Tsts	171.64	180.67	+0.64	2.08
EVERMORE FUND MGMT LTD 1 White Hart Yard, London Bridge SE1 071 407 5966				
Smaller Cos Inc	186.01	190.78†	+0.92	1.78
Smaller Cos Acc	322.02	330.28†	+1.59	1.78
Recovery	45.29	46.21†	+0.14	2.30
EXETER FUND MANAGERS LTD 23 Cathedral Yard, Exeter EX1 1HB 0392 412 144				
Balanced	116.82	124.08†	-0.10	5.04
Capital Growth	74.40	79.89†	+0.48	...
Fd of Inv Tsts	40.59	43.30	+0.18	0.26
High Income	47.47	50.64†	+0.26	8.75
Warrant	54.63	59.39	+0.34	...
Zero Preference	36.85	39.10	+0.14	...
FAMILY INVESTMENT MGMT LTD 16 West Street, Brighton BN1 2RE 0273 220 707				
Family Asset Tst	71.70	76.27	+1.18	2.79
Family Income Tst	50.01	53.20†	+0.82	6.20
Family Trust	78.62	83.64	-0.57	1.66
United Charities	238.30	253.50†	+5.70	3.69
FIDELITY INVESTMENT SERVS LTD 130 Tonbridge Rd, Tonbridge TN11 9DZ Callfree: Private Clients: 0800 414 161 Broker Dealings: 0800 414 181				
Cash Fund				
Cash Fund	100.00	100.00	...	5.10
Stabiliser Growth Range				
Controlled Risk UK	25.13	26.48	-0.04	3.19
-do- Europe	24.90	26.23	-0.07	4.94
-do- America	23.88	25.17	-0.13	0.57
-do- Acc Japan	28.17	29.70	-0.04	0.82
Bond Funds				
Gilt & Fxd Int	31.22	31.61†	+0.07	6.39
Intl Bond	32.22	33.64	-0.13	5.03
Income Funds				
High Income	27.46	28.90	+0.11	5.00
Income Plus	119.70	127.30	+1.40	3.48
Amer Eq Inc	47.39	50.29	-0.42	0.75
European Income	40.09	42.63	-0.18	2.78
Far East Inc	62.97	67.30†	+0.24	2.51
Global Convertible	23.44	25.01	+0.03	2.38
Equity Funds				
ASEAN	60.90	64.96	+0.17	...
American	228.00	241.80†	-0.70	...
Amer Spec Sits	105.90	113.00	-0.70	...
Japan Smaller Cos	34.82	37.15	-0.20	...
European	145.40	154.60	-1.00	...
European Opps	54.36	57.80	-0.27	...
UK Growth	81.37	86.52	+1.09	...
Growth & Inc	150.30	159.90	+1.20	3.12
Intl PEP	33.16	35.26	+0.14	...
Japan Spec Sits	76.25	81.45	+0.66	...
Japan	163.10	174.20	+2.60	...
Managed Intl	243.80	260.40	-0.30	...
Moneybuilder	47.25	50.41	+0.16	...
Recovery	39.63	42.14	+0.16	...
South E Asia	148.30	158.20	+1.00	...
Special Sits	471.90	501.80	+3.20	...
Specialist Funds				
UK Index	108.50	114.30	+0.80	3.33
UK Reverse Index	83.67	88.10	-0.84	4.33
Europe Index	111.20	117.10	+0.10	4.80
-do- Reverse Index	73.82	78.37	-0.54	7.46
America Index	102.10	107.50	-0.80	0.91
-do- Reverse Index	95.18	100.40	+0.10	1.02
Japan Index	112.60	118.60	+3.30	1.13
-do- Reverse Index	111.10	117.10	-4.00	1.41
Cash Accum Units	103.57	103.57	+0.01	5.10
Fidelity Select Personal Pension Portfolios				
American	...	...	...	...
Amer Spec Sits	...	...	...	...
Cash	...	...	...	...
European	...	...	...	...
1992 Euro Opps	...	...	...	...
Gilt & Fixed Int	...	...	...	...
Global Conv	...	...	...	...
Income Plus	...	...	...	...
Japan Spec Sits	...	...	...	...
Japan	...	...	...	...
Managed	...	...	...	...
South East Asia	...	...	...	...
Special Sits	...	...	...	...
UK Growth	...	...	...	...
FLEMING PRIVATE FUND MGMT LTD 31 Sun Street, London EC2M 2QP 071 377 9242				
Balanced	130.50	133.70	...	3.26
Inc Ptfolio	86.06	87.76†	+0.09	3.64
Cap Ptfolio	142.10	144.90	+0.40	0.61
General Opps	122.60	124.30†	...	3.45
Growth Inc	30.31	30.96†	+0.35	2.21
Private Portfolio	404.20	412.30	...	1.48
FOREIGN & COLONIAL UNIT MGT Admin, PO Box 2001, Brentwood, Essex CM13 1XR Enq: 071 454 1434 Dlg: 0277 261 010				
Hypo Foreign & Colonial				
European	103.80	109.80	+0.20	0.45
Far Eastern	151.50	162.60	-0.60	...
High Income	23.69	25.22†	-0.03	10.00
Oseas Income	98.24	105.20†	-0.20	2.85
UK Growth	105.10	112.40	+0.90	1.03
UK Income	105.80	113.20†	+0.20	5.30
US Smaller Cos	284.60	304.40	-2.90	...
FOSTER & BRAITHWAITE FUND MANAGEMENT LTD 1 White Hart Yard, London SE1 1NX 071 407 5966				
High Inc Eqty	49.81	52.99	+0.29	3.93
-do- Inv Tst Inc	72.00	76.60	+0.15	4.05
Intl Growth	67.35	71.65†	-0.07	1.26
Investment Trust	83.13	88.44	+0.19	0.25
UK Smaller Cos	76.80	81.70	+0.22	1.35
FRAMLINGTON UNIT MGMT LTD 155 Bishopsgate, London EC2M 3FT 071 374 4100				
American Growth	54.25	58.01	-0.57	...
(Accum Units)	54.25	58.01	-0.57	...
Amer Smllr Cos	475.80	508.80	+0.80	...
(Accum Units)	486.00	519.70	+0.80	...
Capital Tst	293.30	311.90	+1.00	1.73
(Accum Units)	412.80	439.10	+1.50	1.73
Conti Smllr Cos	52.33	56.13	-0.22	0.82
(Accum Units)	54.70	58.67	-0.24	0.82
Convertible	131.90	140.20	+0.30	5.21
(Accum Units)	250.30	266.20	+0.50	5.21
Emerging Markets	73.63	78.66	+0.07	...
(Accum Units)	73.63	78.66	+0.07	...
European	106.80	113.90	-0.10	0.43
(Accum Units)	111.30	118.70	-0.10	0.43
Extra Income	320.30	340.70	+1.20	3.62
(Accum Units)	458.70	487.90	+1.70	3.62
Financial	121.70	130.30	+0.60	0.50
(Accum Units)	127.40	136.40	+0.60	0.50
Gilt Trust	69.44	71.59†	+0.25	5.78
(Accum Units)	91.93	94.78†	+0.33	5.78
Health Fund Inc	133.80	142.90	-0.40	...
(Accum Units)	133.80	142.90	-0.40	...
Income & Growth	190.30	202.40†	+1.50	3.60
(Accum Units)	275.90	293.40†	+2.30	3.60
Intl Growth	345.20	369.30	-0.20	...
(Accum Units)	383.40	410.10	-0.20	...
Japan & Gen	167.40	178.80	-0.10	...
(Accum Units)	169.10	180.60	-0.10	...
Managed Port Inc	99.56	104.80†	+0.20	0.74
(Accum Units)	104.70	110.20†	+0.30	0.74
Monthly Income	161.60	171.80	+0.40	3.75
Quarterly Income	53.80	57.22	+0.27	5.30
(Accum Units)	55.02	58.52	+0.28	5.30
Recovery	315.90	337.80	...	0.38
(Accum Units)	371.10	396.80	-0.10	0.38
UK Growth	50.28	53.68	+0.36	2.62
(Accum Units)	50.28	53.68	+0.36	2.62
FRIENDS PROVIDENT UNIT TRUSTS Castle Street, Salisbury, Wilts Dealing: 0722 411 411 Admin: 0722 411 622				
FP Equity Dist	372.37	396.14†	...	2.51
-do- Accum	768.51	817.56†	...	2.51
FP Euro Gth Dist	120.18	127.85	...	0.68
-do- Accum	124.82	132.79	...	0.68
FP Fixed Int Dist	143.12	151.39	...	5.58
-do- Accum	244.93	259.08	...	5.58
FP Intl Gth Dist	84.12	89.49	...	0.60
-do- Accum	87.33	92.90	...	0.60
FP Nth Amer Dist	184.98	195.95	...	0.54
-do- Accum	201.59	213.55	...	0.54
FP Pac Basin Dist	276.34	293.98	...	0.01
-do- Accum	281.61	299.59	...	0.01
Stewardship Dist	319.80	340.21†	...	1.87
-do- Accum	383.91	408.41†	...	1.87
Stwrdshp Inc Dist	69.31	73.73†	...	3.29
-do- Accum	86.91	92.46†	...	3.29
N Am Stshp Dist	102.43	108.97	...	...
-do- Accum	108.35	115.27	...	...
GA UNIT TRUST MGRS LTD PO Box 257, York YO1 1LA 0345 581 106/7				
GANDA	230.20	243.40†	+1.30	2.01
Cash	49.41	50.15†	...	4.36
Growth Portfolio	79.19	83.94	+0.68	0.36
Income Portfolio	67.23	71.09†	+0.41	3.51
GT UNIT MANAGERS LTD Alban Gate, 14th Floor, 125 London Wall, London EC2Y 5AS 071 710 4567 Dealing: 071 626 9431				
Amer Spec Sits	155.90	166.80	+3.80	...
European	463.00	493.20	+0.10	1.46
Far East & Gen	247.40	264.60	+2.90	0.28
Germany	118.40	125.70	+0.40	...
Global Assets Inc	78.68	83.47	+0.18	0.90
Income Inc	144.30	154.40	+1.70	5.11
International	310.80	332.40	+0.30	0.71
Intl Income	85.05	90.29	-0.07	3.91
Japan & General	384.60	409.00	-0.10	...
Korean Securities	61.07	65.34	+0.35	0.20
Smllr Cos Div Inc	48.29	51.65	+0.04	5.62
UK Capital (Inc)	173.90	186.00	+2.90	1.89
UK Spec Sits	83.60	89.42	+1.11	0.37
US & General	128.80	137.00	-0.70	...
Wwide Spec Sits	144.20	153.50	-0.90	0.10
GARTMORE FUND MANAGERS Gartmore House, 16-18 Monument St, London EC3R 8AJ 071 782 2000 Dlgs only: 0277 264 421 Investor Services: Freephone 0800 289 336				
UK Growth Funds				
British Growth	49.21	52.63	+0.22	2.01
Cash Trust	131.31	131.31	+0.01	4.72
Practical Inv Inc	111.61	119.37	+0.08	3.69
UK Index	142.50	144.90	+0.70	2.98
UK Smaller Cos	107.57	115.05	+2.35	1.50
Income Funds				
Preference Share	27.26	29.15†	+0.06	8.68
High Income	34.50	36.90†	+0.32	4.72
UK Equity Income	140.57	150.34	+1.09	3.55
Global Bond	30.66	31.76	-0.10	4.60
International Funds				
Frontier Markets	56.64	60.58	-0.19	...
Global Inc & Gth	130.83	139.38†	...	1.57
Gold & Intl Res	101.92	109.00	-3.04	0.63
Global Utilities	128.60	137.54	-0.24	0.72
Overseas Funds				
American	136.47	145.90	-1.12	0.50
European	90.47	95.82	-0.03	0.94
Euro Sel Opps	113.54	120.72	-0.19	0.23
Amer Emerging	95.39	102.02	-0.62	...
Hong Kong	155.59	166.41	+2.50	1.00
Japan	202.93	216.17	+2.52	...
Pacific Growth	211.41	226.11	+0.42	...
Gartmore Pensions Strategy Funds				
Managed Equity	200.77	200.77†	+0.68	1.89
Long Term Bal	221.53	221.53†	+0.57	2.21
Med Term Bal	189.20	189.20†	+0.61	2.56
UK Equity	223.49	223.49†	+1.18	1.51
UK Emerging Cos	130.08	130.08	+0.12	2.07
American	229.51	229.51	-1.73	1.28
Japan	115.14	115.14	-1.66	...
European	229.97	229.97	-0.25	1.07
Index Linked Gilt	172.71	172.71	+1.00	2.96
Fixed Interest	164.87	164.87†	+0.14	6.28
Amer Emerging	248.93	248.93	-1.87	...
Pacific	230.67	230.67	-0.67	0.62
Emerging Mkts	172.09	172.09	+0.10	...
Index Strat Japan	143.59	143.59	...	0.25
-do- Pacific	187.17	187.17	...	1.42
-do- Cont Europe	130.74	130.74	...	1.84
Index Strat USA	129.31	129.31	...	2.15
Gartmore Personal Pension Funds				
Managed Equity	95.01	101.09	+0.34	...
Med Term Bal	90.00	95.75	+0.31	...
Long Term Bal	99.87	106.25	+0.28	...
UK Equity	103.22	109.81	+0.58	...
UK Emerging Cos	61.02	64.91	+0.09	...
American	106.75	113.57	-0.85	...
Japan	55.46	59.00	+0.85	...
European	96.04	102.17	-0.11	...
Fixed Interest	82.55	87.82	+0.09	...
Index Linked Gilt	76.52	81.40	+0.47	...
Deposit	76.22	81.08	...	...
Broker Unit Trusts				
Berkeley Int Grth	117.81	124.01	+0.12	...
Berkeley Income	111.59	117.46	+0.47	2.17
SWH Intl	129.82	136.65†	-0.64	0.62
Brclff Glt Port Inc	58.41	61.65†	+0.11	2.50
-do- Inc Port Inc	58.02	61.23	+0.33	3.75
-do- Wwide Port	50.57	53.37	-0.36	1.00
Shaw Utilities	53.33	56.28†	-0.02	3.78
GLENFRIARS UNIT TST MGRS LTD 22 Suffolk St, London SW1Y 4HS 071 930 7533				
Inv Opportunities	128.60	136.20	...	...
Higher Income	118.70	125.10†	...	3.26
GLOBAL ASSET MANAGEMENT GAM Sterling Management Ltd 12 St James's Place, London SW1 071 493 9990				
& Intl Inc	522.29	555.63	...	0.08
European Inc	135.96	145.51	+1.52	2.40
Amalgam Inc	138.59	146.73	...	0.35
N America Inc	311.07	330.93	...	...
Far East Inc	302.50	321.80	...	0.20
UK Divid Inc	151.91	161.61	...	1.23
GOVETT (JOHN) UNIT MGMT LTD Shackleton House, 4 Battle Bridge Lane, London SE1 071 378 7979 Dealing: 071 407 7888				
UK Equity Inc	82.81	87.20	-0.26	4.02
UK Small Cos	47.53	50.83	-0.14	1.10
British Growth	52.96	56.94	+0.27	2.14
American Gwth	145.46	155.35	-1.59	...
Japan Gwth	71.11	76.00	+0.61	...
Greater China	185.21	198.09	+0.83	0.95
Pacific Strategy	158.44	169.46	+1.29	0.15
European Gwth	73.50	78.61†	+0.09	0.52
Intl Growth	142.30	152.20	-0.24	0.24
US Index (£)	13.560	14.288	-0.176	1.90
FT-SE Mid 250 Ind	71.92	76.16	+0.28	2.15
Monthly Income	46.05	48.86†	-0.03	10.00
MIS Unit Trust Dealing: 071 865 0033				
UK Index (£)	11.445	11.968	-0.018	4.40
Euro Index (£)	12.250	12.819	-0.039	4.30
Japan Index (£)	9.3485	9.7847	+0.307	1.85
US Index (£)	14.260	14.918	-0.193	1.50
Cash (£)	9.5330	9.5807	+0.001	5.10
UK Bear (£)	7.6791	8.0800	+0.013	4.40
European Bear (£)	8.5362	8.9333	-0.005	4.50
Japan Bear (£)	14.819	15.511	-0.575	1.85
US Bear (£)	9.2318	9.6580	+0.023	1.50
Dollar Bull (£)	15.888	16.628	-0.167	1.50
Dollar Bear (£)	7.0956	7.4187	+0.032	4.40
Gilt Bull (£)	11.639	12.166	-0.102	4.40
Gilt Bear (£)	7.3001	7.6307	+0.060	4.40
Dollar Cash (£)	10.694	10.748	-0.057	1.90
Grd UK Index (£)	11.260	11.860	+0.114	4.40
GRANVILLE UNIT TST MGMT LTD Mint Hse, 77 Mansell St, London E1 8AF 071 488 1212				
Small Cos	86.15	91.64	...	1.41
Bridge Income	262.29	279.03†	...	5.25
GUARDIAN ROYAL EX UT MGRS LTD 36 Harbour Exchange Sq, London E14 9GE 071 538 9668				
Cash	133.40	133.40†	...	4.30
European	400.90	428.30	-1.30	0.13
Gilt & Fixed	135.30	143.60	+0.20	4.73
Growth Equity	315.90	337.50†	+2.70	1.98
Income Trust	121.90	130.20	+0.50	3.08
International	171.20	182.80	+0.10	...
Japan Trust	111.20	118.80	+1.20	...
Nth American	268.40	286.70†	-0.50	0.26
Pacific	532.80	569.20†	+2.70	...
Guardhill	465.30	497.10	+3.50	2.07
GUINNESS FLIGHT UT MGRS LTD 5 Gainsford Street, London SE1 2NE 071 522 2129				
EMU Trust	112.92	117.21	-0.56	7.68
Global High Inc	116.28	120.69	-0.68	7.85
Prem Fixed Int	115.91	120.33	+0.26	7.53
Eqty & Bond Inc	103.72	110.28†	+0.89	5.50
European Growth	87.80	93.35	-1.05	...
Intl PEP Trust	55.53	59.04	-0.71	...
High Income	113.95	121.15†	+0.89	3.33
Recovery	336.00	357.20†	+2.10	3.47
St Vinc High Inc	129.08	131.01	+0.59	7.57
Tmp Bar Emer Co	217.10	230.80†	+0.40	2.84
Tmp Br Sm Co In	317.50	323.20	+0.30	3.10
HALIFAX STANDARD TST MGT LTD PO Box 600, Edinburgh EH15 1EW 0800 838 868				
Global Advtg Inc	37.69	39.96	...	1.48
Income Advtg Inc	32.16	34.10	+0.10	3.46
HAMBROS UNIT TRUST MGRS LTD 5 Rayleigh Rd, Hutton, Brentwood, Essex Enquiries: 0277 227 300 Dealing: 0277 690 390				
Model Ptflio	191.30	203.00†	+0.40	2.33
Smaller Cos	32.12	34.17	+0.51	1.81
HENDERSON UNIT TST MGMT LTD PO Box 2157, Brentwood, Essex CM14 4ET Enquiries: 0277 263 290 Dealing: 0277 234 772				
UK Funds				
Special Sits	270.02	288.92	+1.39	1.47
Best of British	60.44	64.65†	+0.32	2.23
UK Smaller Cos	112.81	121.20	+0.28	1.06
High Income Funds				
Income & Growth	260.24	277.15†	+1.33	3.17
High Income	312.10	332.62†	+0.92	3.83
Extra Income	283.54	301.85	+1.15	4.30
Pref & Gilt	48.75	52.40†	+0.08	7.77
International				
International	247.13	263.81	-0.52	0.33
Global Bond	59.40	63.19	-0.09	5.72
Family of Funds	76.46	81.51	+0.05	0.49
Global Tech	140.55	150.32†	-0.73	...
Overseas Funds				
Asian Enterprise	170.66	182.50	+0.93	0.27
European	421.63	446.44†	-0.59	0.48
European Income	77.95	82.45	-0.18	2.41
Euro Smaller Cos	132.83	141.27†	-0.45	0.36
Eur Sp Sits	54.17	57.60	-0.48	0.29
Japan Trust	187.33	199.53	+1.45	...
Japan Special Sits	214.94	229.14	-0.98	...
Pacific Smlr Cos	239.51	254.79	+1.00	0.17
North American	230.57	245.41	-1.50	0.15
American Smaller	102.84	109.93†	-0.08	...
Henderson Tst Pension Portfolio				
American Growth	54.93	58.26	-0.04	...
Eur Sp Sits	46.61	49.43	-0.41	...
General Growth	40.41	42.86	+0.06	...
Global Tech	53.30	56.66	-0.29	...
Income Growth	39.32	41.70	+0.20	...
Japan Growth	22.99	24.38	+0.18	...
Overseas Growth	36.41	38.61	-0.08	...
Smaller Cos	20.00	21.22	-0.08	...
Special Opps	26.33	27.92	+0.06	...
Sterling Liquidity	35.98	37.48	...	...
Wwide Sp Sits	45.31	48.05	-0.10	...
HILL SAMUEL UNIT TST MGRS NLA Tower, Addiscombe Road, Croydon 081 686 4355				
British	95.66	102.30†	+1.30	1.93
Capital	167.30	178.90	+1.80	1.70
Dollar	329.50	352.40†	+1.80	0.01
European	219.10	234.30	+1.10	0.46
Far East	305.40	326.60	+3.20	0.25
Financial	806.50	862.50	-18.60	1.40
Gilt & Fxd Int Inc	28.29	29.39†	+0.04	7.01
High Yield	109.10	116.60†	+0.60	4.21
Income & Growth	146.60	156.70†	+1.00	3.10
International	228.20	244.00	+1.10	0.07
Japanese General	171.80	183.70	+3.30	...
Japan Tech	61.00	65.24	+0.28	...
Nat Resources	64.59	69.07	-0.19	0.52
Portfolio	70.44	75.33	+0.22	1.84
Security	320.10	342.30	+4.10	1.88
Smaller Cos	120.00	128.30†	+3.20	1.36
Special Sits	148.60	158.90	+3.20	1.39
UK Emerging Cos	76.96	82.30	+0.36	0.33
US Smaller Cos	74.53	79.71	-0.65	...
HSBC UNIT TRUST MGMT LTD 7 Devonshire Square, London EC2M 4HU Dlg: 071 955 5055 Enq: 0800 181 890 James Capel Unit Trusts Dlg: 071 955 5055 Enq: 0800 181 890				
Index Funds				
American Index	201.40	214.20	-1.80	1.19
Eurotrack 100	145.10	154.00	-0.30	1.01
Footsie Fund	118.00	124.60	+0.50	2.58
Japan Index	70.76	75.45	+1.08	0.14
Tiger Index	193.00	206.00	+1.30	0.48
Trixie Index	109.80	117.20	+0.20	1.87
UK Index	134.80	143.90	+0.50	2.76
Active Funds				
American Growth	464.00	494.90	-3.30	0.16
Capital	574.30	612.90†	+2.40	2.19
European Growth	95.35	101.30	-0.10	0.32
Far East Growth	98.15	104.70	+0.90	...
Global Bond	24.25	25.55	-0.23	5.55
Hong Kong Gwth	111.20	118.70	+0.90	0.57
Income	553.10	590.30†	+1.50	3.77
Intl Growth	74.72	79.61	+0.04	0.11
Japan Growth	239.80	255.70	+3.00	...
Japan Smllr Cos	31.20	33.01	+0.18	...
Spore & Mlysn Gth	74.03	79.01	+0.39	...
Midland Unit Trusts Dealing 0742 529200 Enquiries 0742 529076				
Balanced	59.70	63.85	+0.16	2.61
(Accum Units)	61.39	65.66	+0.17	2.61
British Tst	83.02	88.79	+0.46	1.91
(Accum Units)	93.97	100.50	+0.52	1.91
European Growth	192.60	206.00†	-1.10	0.45
(Accum Units)	243.40	260.30†	-1.30	0.45
Extra High Inc	74.04	79.19	+0.42	5.69
(Accum Units)	133.90	143.20	+1.90	5.69
FT-SE 100 Index	52.63	56.29	+0.28	2.40
(Accum Units)	53.42	57.13	+0.28	2.40
Gilt & Fxd Int	59.81	62.26	+0.03	6.20
(Accum Units)	161.80	168.40	+0.10	6.20
High Yield	233.70	249.90†	+1.00	4.64
(Accum Units)	560.90	599.80†	+2.40	4.64
Income	298.20	318.90	+1.10	2.69
(Accum Units)	630.40	674.20	+2.40	2.69
Japan Growth	302.60	323.60	+3.70	...
(Accum Units)	319.30	341.40	+3.80	...
Mandarin Tst	120.60	129.00	+0.40	0.68
(Accum Units)	126.10	134.80	+0.40	0.68
Money Market UT	49.32	49.32	+0.01	4.63
(Accum Units)	74.11	74.11	+0.02	4.63
North American	176.60	188.90†	-0.30	0.44
(Accum Units)	223.40	238.90†	-0.60	0.44
Midland Personal Pension Unit Trust				
British	97.01	103.20	+0.50	1.90
European Growth	91.90	97.77	+0.58	0.02
Gilt & Fixed	86.75	92.05	-0.73	6.03
Income	84.04	89.40	+0.30	2.05
Japan Growth	45.10	47.98	+0.56	...
Managed	66.10	70.32	+0.18	2.50
Money Market	82.14	87.07	+0.02	4.61
North American	85.39	90.84	-0.39	0.49
Midland FSAVCS Unit Trust				
British	88.16	93.79	+0.48	1.88
European Growth	86.53	92.05	+0.45	0.01
Gilt & Fixed Int	82.69	87.75	+0.06	5.99
Income	82.60	87.87	+0.30	2.92
Japan Growth	45.06	47.94	+0.54	...
Managed	63.25	67.29	+0.18	2.47
Money Market	75.94	80.49	+0.02	4.57
North American	77.86	82.83	-0.35	0.59
Midland Executive Pension Unit Trust				
British	88.50	94.15	+0.48	1.86
European Growth	84.47	89.86	+0.44	...
Gilt & Fixed Int	76.82	81.52	+0.05	6.05
Income	82.19	87.44	+0.29	2.92
Japan Growth	46.12	49.06	+0.56	...
Managed	66.51	70.75	+0.18	2.45
Money Market	71.49	75.78	+0.02	4.59
North American	86.30	91.81	-0.39	0.46
INVESCO FUND MANAGERS LTD 11 Devonshire Square, London EC2M 4YR 071 626 3434 Dealing: 0800 010 733				
UK Specialist Trusts				
Investment Tst	67.38	71.59†	+0.12	0.58
Smaller Cos	27.27	29.15	+0.06	1.78
Special Features	30.51	32.41	+0.12	1.56
(Accum Units)	36.37	38.64	+0.15	1.56
General Funds				
Assets & Earnings	75.68	80.41	+0.26	1.90
Accum Units	90.32	95.96	+0.31	1.90
General Equities	73.43	78.01	+0.21	2.60
Great British Cos	50.67	54.17	+0.30	1.59
Managed Invest	93.72	100.00	+0.28	1.08
PEP Managed	68.32	72.96†	+0.21	2.10
Rupert Child Tst	81.39	86.82	+0.46	1.81
UK Growth	58.45	62.52†	+0.34	1.56
High Income Funds				
Cashbox (Dist)	50.55	50.55	...	4.09
Cashbox (Acc)	57.00	57.00	...	4.09
Extra Income	87.43	93.45	+0.43	4.56
Gilt	30.19	31.80	+0.01	5.74
Income & Growth	41.69	44.47†	+0.10	3.27
Minstar Gilt & FI	80.45	82.24†	+0.12	7.26
Preference Shares	18.52	19.67†	+0.03	6.43
UK Income	337.40	360.40	+1.20	2.99
Sector Specialist Funds				
Fin Securities	66.20	70.33	+0.32	0.98
Property Shares	77.24	83.06	+0.24	1.41
Overseas Growth Funds				
American Growth	50.85	54.05	-0.45	0.76
US Smaller Cos	115.20	122.40	+0.60	...
(Accum Units)	116.40	123.60	-0.30	...
Europe Perf	129.00	136.60	-0.20	...
(Accum Units)	133.30	141.20	-0.30	...
Euro Smaller Cos	24.60	26.10†	...	...
French Growth	72.61	76.96	-0.14	0.13
Accum Units	77.56	82.21	-0.15	0.13
H Kong & China	95.06	101.00	+0.60	0.40
Intl Growth	53.49	56.87†	-0.01	0.18
Accum Units	53.75	57.10†	-0.03	0.18
Japan Perf	29.09	30.88	+0.63	...
Accum Units	29.09	30.88	+0.63	...
Japan Smaller Cos	35.22	37.40	+0.35	...
Singapore ASEAN	109.60	116.40	...	...
Accum Units	110.40	117.20	...	...
SE Asia	304.10	323.10	+0.50	0.02
Overseas Income Funds				
Global Income	90.93	96.99	+0.02	2.02
Intl Bond	59.43	60.31	-0.20	5.13
JUPITER MERLIN UT MGRS LTD 197 Knightsbridge, London SW7 1RB 071 581 3020				
American Cap	173.10	184.20	+0.20	...
Income	136.06	144.64	+0.59	4.39
Res & General	145.30	154.50	-3.10	...
UK Growth	49.45	52.60	+0.04	1.83
International	76.11	80.97	-0.13	1.02
Ecology	79.61	84.69	-0.33	0.61
European	101.39	107.52	-0.22	...
Far Eastern	334.80	356.20	+9.50	...
KLEINWORT BENSON UNIT TRUSTS 10 Fenchurch Street London EC3 Dealers: 071 956 7354 Admin: 071 956 6600				
Income Trusts				
Extra Income	57.05	60.69	+0.99	6.38
(Accum Units)	78.46	83.47	+1.36	6.38
Gilt Yield	126.50	133.40	...	6.76
(Accum Units)	364.80	385.00	-0.10	6.76
Global Income	224.10	238.40†	-0.40	3.62
(Accum Units)	494.60	526.20	-0.80	3.62
High Yield	145.30	154.60	+1.94	5.55
(Accum Units)	414.40	440.80	+5.80	5.55
Smllr Cos Div	54.06	57.51†	+0.12	3.43
(Accum Units)	67.57	71.88	+0.17	3.43
Capital Growth Trusts				
Amer Smllr Cos	95.03	101.10	+0.80	...
(Accum Units)	98.32	104.60	+0.80	...
North American	77.52	82.47	-0.34	0.41
(Accum Units)	94.94	101.00	-0.40	0.41
European Special	84.33	89.71	+0.47	1.39
(Accum Units)	88.46	94.11	+0.48	1.39
European	141.70	150.70	+1.10	1.48
(Accum Units)	185.40	197.20	+1.50	1.48
General	278.70	296.50	+2.80	3.01
(Accum Units)	457.90	487.10	+4.70	3.01
Japan	377.80	401.90	+2.00	...
(Accum Units)	382.00	406.40	+2.00	...
Japanese Special	218.30	232.20	-0.20	...
(Accum Units)	219.20	233.20	-0.30	...
Master Accum	235.80	250.80	+3.00	0.86
Pacific	318.60	338.90	+3.90	0.43
(Accum Units)	373.70	397.50	+4.60	0.43
Smaller Cos	109.20	116.20	+4.29	1.45
(Accum Units)	147.60	157.00	+5.80	1.45
UK Equity Growth	39.49	42.01	+0.31	1.67
(Accum Units)	73.50	78.19	+0.58	1.67
KNIGHT WILLIAMS PRTFOL MGRS 161 New Bond Street, London W1Y 9LA 071 629 1603				
High Income (Inc)	54.71	58.20	-0.02	4.40
Global Growth PEP	57.78	61.46	-0.04	...
Inv Trust PEP	47.82	50.87	+0.10	...
Higher Risk Invest	51.56	54.85	+0.33	...
LAS UNIT TST MGRS LTD 113 Dundas St, Edinburgh EH3 5EB 031 550 5151				
European	83.31	88.63	+0.19	0.92
Extra Income	25.93	27.59	+0.45	3.49
Far East	29.79	31.69	-0.49	0.27
Income & Gwth	77.72	82.68	+0.88	2.83
Intl Growth	55.83	59.39	+0.59	0.59
Japan	59.77	63.59	+0.35	...
Maximum Dist	100.30	102.30†	...	6.81
Nth Amer Equity	40.63	43.21†	...	0.37
UK Equity	91.47	97.31†	+0.23	2.61
L & C UNIT TST MGMT LTD Broadwalk Hse, 5 Appold St EC2A 2DA 071 588 2800				
Income	613.70	626.20	+8.00	5.18
Intl & General	402.00	410.30	+2.70	0.62
LAURENCE KEEN UNIT TRUST MGMT 1 White Hart Yard SE1 071 407 5966				
Inc & Growth Inc	56.46	60.07	+0.26	4.16
Smaller Cos	49.08	51.94	+0.17	0.96
LAURENTIAN UNIT TST MGMT LTD Laurentian Hse, Barnwood, Gloucester GL4 7RZ Enq: 0452 371 500 Dlg: 0452 371 623				
Growth Trust	239.90	255.20†	+1.90	1.90
High Income	112.20	119.40	+0.80	3.47
International	86.62	92.15	-0.37	0.22
Recovery Trust	61.29	65.20†	+0.11	1.32
European Trust	74.16	78.89	+0.01	1.06
Japanese Trust	39.01	41.50	+0.84	...
American Trust	76.68	81.37	-0.56	...
Managed	62.79	66.80	+0.19	0.50
Cash	51.29	51.29	+0.01	4.30
LAZARD UNIT TST MGRS LTD 21 Moorfields, London EC2P 2HT 071 374 0916				
UK Cap	344.50	349.90	+8.50	2.80
UK Inc/Gth	378.30	384.30	+7.70	3.31
UK Income	269.80	274.10†	+5.10	3.73
UK Sm Cos	228.20	236.80	+0.90	1.71
Euro Gwth	108.60	109.50†	+1.10	0.35
N Amer Gth	78.50	79.43†	-0.36	0.16
Jap & Pac Gth	74.31	75.33†	-3.40	...
Money Mkt	116.36	116.36	...	2.430
LEGAL & GENERAL (UT MGRS) LTD 5 Rayleigh Road, Hutton, Brentwood, Essex Enquiries: 0277 227 300 Dealing: 0277 690 395				
Equity Dist	460.60	490.00	+2.40	2.38
Equity Income	101.20	107.70	+0.40	3.44
UK Tactical Allocn	56.48	59.98	+0.46	3.90
European	105.80	112.60	+0.60	0.88
Far Eastern	217.20	231.10	+3.40	...
Fixed Interest	56.91	60.44	+0.12	6.54
Gilt	97.79	103.70†	+0.10	6.20
Global Growth	73.98	78.70†	+0.37	0.15
Intl Bond	57.29	61.42	-0.19	4.58
Japanese	64.70	68.83†	+1.14	...
North American	151.10	160.70	-0.50	0.29
Pacific Growth	118.50	126.10	+1.10	0.36
UK Index	60.79	64.16†	+0.31	2.85
UK Recovery	86.70	92.23†	+0.41	1.80
UK Smaller Cos	113.40	120.60	+0.30	1.19
US Index	59.99	63.31	-0.38	1.74
European Index	67.10	70.82	+0.06	1.50
Japan Index	36.78	38.82	+0.56	...
Worldwide	81.07	86.24†	+0.23	1.47
LINCOLN NATIONAL FD MGRS LTD 1 Olympic Way, Wembley HA9 0NB 081 902 8876 Dealing: 0800 282 621				
Growth	47.99	51.33	...	3.25
Income	59.17	63.28	...	3.76
Far East	52.51	56.16	...	...
North American	94.77	101.90	...	...
Global	95.09	101.70	...	0.40
European	80.96	86.44	...	0.90
Japan	98.94	105.60†	...	...
Intl Currency Bd	60.20	63.65†	...	5.96
SE Asia	115.00	123.00	...	0.80
UK Capital Growth	87.92	94.03	...	1.99
LLOYDS BK UNIT TST MGRS LTD PO Box 63, Chatham, Kent ME4 4YB Helpdesk: 0634 834 330 Dealing: 0634 834 313				
Balanced	336.50	358.00†	+7.00	2.64
Cash	502.90	502.90	...	4.64
Contl Europe Gwth	56.81	59.81†	+0.25	0.96
Extra Income	256.20	272.60†	+5.20	3.70
German Growth	119.60	125.90	+0.30	0.07
Growth Portfolio	521.40	554.70	+3.00	0.19
Income	483.80	514.70	+10.20	3.48
Income Portfolio	515.50	548.50†	+1.70	3.99
Japan Growth	89.84	95.58	+1.05	0.00
Master Trust	55.86	59.43	-0.50	1.31
N Amer & Gen	194.30	206.80	-1.40	0.01
N Am Sm Co/Rec	147.80	157.30	+1.40	0.01
Pacific Basin	274.40	292.00	+0.60	0.43
Small Cos & Recy	331.60	349.10†	+13.90	2.28
UK Equity Gwth	130.40	138.80	+2.90	2.89
UK Equity Inc	113.40	120.70	+2.10	4.16
UK Growth	84.00	89.37	+1.85	2.17
Worldwide Gwth	310.80	330.70	+4.50	0.20
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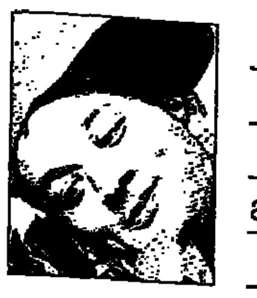


THEATRE page 36
Los Angeles may be a movie town, but there are plenty of stars willing to risk all in a live play

LIVE ART page 37
Plenty of people do it; many enjoy watching it — but what does "live art" actually mean?

Hallelujah for amateur choruses

As Radio 3 launches a daily celebration of Britain's choirs, **Richard Morrison** argues that our choral tradition is as strong as ever

MICHAEL BENNETT

Are you depressed by the imminent axing of two fine London orchestras? Did you visit your town's theatre last week and find that the bailiffs had boarded it up? Have you been shaken by the shelves of lurid trash in the local video shop, which you only visited to escape from the meretricious bunkum on the box? And do you not give a damn who becomes the next Arts Council chairman, since it all seems like replacing the captain of the Titanic ten minutes after it has hit the iceberg?

Then this column, direct from the Martyn Lewis school of cheer-up journalism, is for you. It celebrates a leisure pursuit in which Britain leads the world as indisputably today as it did a century ago. Can't say that about football, can we? It exercises the brains, lungs, hearts and souls of hundreds of thousands of people. And it doesn't cost the taxpayer a penny — which is just as well, because it would probably be cut if it did. We are talking about the amateur choir.

'The classless society was invented by Victorian choirs'

Nobody knows exactly how many the country has. The Royal School of Church Music lists 6,000 affiliated choirs in Britain, but by no means all church choirs are members. The British Federation of Young Choirs, founded ten years ago to foster a new generation of choral singers, is made up of 160 groups, but there are hundreds of school and college choirs that don't belong. The Association of British Choral Directors (a much-needed advice swap-shop founded in the mid-Eighties) has a membership of 500, but that is a tiny percentage of those engaged in training choirs.

Add to that all the amateur operatic choruses which belt through Offenbach and G&S weekly in freezing church halls; the barbershop groups recreating the sounds of Yale in the dales of Yorkshire; the fastidious chamber choirs that proliferate in the big cities, poaching each other's tenors with cut-throat glee; the venerable choral societies, two or three hundred strong, that are about to hurl themselves into countless Christmas performances of *Messiah*. Think of the formidable Women's Institute ensembles of cardiganed contraltos; or the mighty roar of the Welsh male-voice choirs as they rise to the climactic pause of *Cwm Rhondda*.

In short, choral singing is a major-league recreation. It is possibly second only to fishing in popularity as a British leisure activity. No, it is first. Fishing isn't an activity, it's a passivity.

The unique aspect of the British choral tradition is that it draws its strength from several separate cultural strands. There is, for instance, a long and continuing tradition of top-quality singing in British universities. As a result, hundreds of graduates emerge from college choirs each year with expectations of the highest choral standards. Some will go into cathedral choirs, or professional ensembles such as the Monteverdi Choir or The Sixteen. But the vast majority will percolate into high-powered amateur choirs — and it is often they who set the pace when it comes to exploring new repertoire.

Then there is the choral tradition of the industrial north. It was nurtured by idealistic Victorians and fuelled by the establishment of mechanics' institutes, the introduction of "tonic sol-fa" musical notation (taught in elementary schools from the 1860s onwards) and the advent of cheap vocal scores from the publishing firm of Novello, which brought choral classics within the purchasing power of working people for the first time.

The wave of choral enthusiasm that swept across England in the late 19th century destroyed for ever the notion that high-class music-making was the preserve of the middle classes. An analysis of the Leeds Festival Chorus in 1895 revealed that one-third of its members were manual workers. The classless society was invented in Britain's choral societies more than a century before the phrase was a twinkle in John Major's imagination.

And the third powerful strand in our choral tradition is the singing that has gone on for centuries in village and parish churches. Only in the last few years, with the publication of Nicholas Temperley's magisterial book *The Music of the English Parish Church*, has the richness of parochial musical life been properly examined, though any devotee of Thomas Hardy's poetry will have grasped the vital importance of the "gallery quire" in English village life. And the tradition still goes on, despite the destructive efforts of those clergymen who regard the presence of a choir as a threat or an anachronism.

Today, BBC Radio 3 begins a celebration of this nationwide choral cornucopia. At 9am each morning between now and Christmas (the programmes are also repeated last thing at night), *An Advent Calendar* will broadcast a succession of amateur choirs from around Britain. Each one is given ten minutes to sing two or three numbers from the *New Oxford Book of Carols*. More than half the chosen groups are school, college or youth choirs, ranging from Eton College to the Scunthorpe Co-Op Junior Choir. Then, on Christmas Eve, the Harvard Glee Club will make a transatlantic guest contribution.

Besides being a handy advertisement for Oxford University Press's superb but rather expensive carol book, the series is a brilliant broadcasting idea (only slightly reminiscent of something that Classic FM did last Christmas) because it places the spotlight on choirs at the time when they are at their most active. Take, for instance, the Highcliffe Junior Choir, which can be heard on December 23. This 70-strong group of schoolchildren from Hampshire, rehearsing after school hours on a Friday evening, will sing no fewer than ten carol concerts this month. That is not untypical.

The choral tradition has come under threat from many directions in recent years. Choral societies which perform with professional orchestras and soloists have been hit by the recession. Classroom singing in schools seemed to be drying up in favour of "self-expression" sessions on electronic keyboards. Luckily, the new national curriculum puts the emphasis firmly back on aural training, and that implies much more singing at a primary level.

In Anglican churches, trendy vicars followed the Roman Catholics and replaced their choirs with "happy-clappy" sessions led by guitar-strumming folk groups. Meanwhile, some of our top choirs compete in international choral gatherings, and are startled by the brilliant singing of the Hungarians, the Swedes, even the Americans. Our choral pre-eminence must never be taken for granted.

Yet in its breadth, variety and general level of musicianship, the British choral tradition remains one of the great glories of our heritage. This is the month to savour its output at its most jubilant and flamboyant. But the best place to enjoy a choir is where it has always been — from the inside.

RADIO REVIEW: An entertaining search for "old England"

Barking mad Billy

EVERYBODY, it seemed, was trying to unveil the mother country. In **Looking for an Old England**, a new series on Radio 4 which began yesterday, singer-songwriter Billy Bragg dug around his roots in Barking, a hitherto uncelebrated hinterland of east London. Bragg's premise is that history is not merely a matter of kings, queens and "people who had got fame on the battlefield through hacking bits off each other". Instead it is found in the warp and weft of places generally ignored by the textbooks.

Much as Barking deserves its half-hour of fame, what makes the programme welcome is Bragg's style. As the writer of some of the best polemical ballads of the 1980s, he has never been shy about his socialism. The programme also reveals his urban liveliness. He had stopped at a site of iron-age interest. "For a hill fort it seems to lack the most important aspect, which of course is a hill," he pointed out to the local expert.

Whether talking to listener or pundit, the same straightforward affability surfaced, and there were snatches of song interspersed. "Mine is a faith in my fellow man," goes one lyric, which seems surprisingly generous, given the way Barking has been treated.

Bragg's detractors accuse him of over-simplification, but he has a sense of humour and a set of opinions, and shares them both, which makes a change from some of the blander broadcasting one hears.

Ambivalence was the prevailing tone in Wednesday's **New Society** on Radio 4. Peter Hetherington reported on Darras Hall, an estate on Newcastle's northern outskirts remarkable for one of the highest concentrations in Britain of professional people. It is, said Hetherington, "a kind of Henley-on-Tyne". As if to prove it, here was the local flower show, with apple-pie championship to boot. It turns out that Darras Hall is unremarkable in other respects, vandalism being on the increase.

Billy Bragg: digging for his east London roots

Any twinges of nostalgia for the old country were massaged by **Back on the Bus** (Thursday, Radio 4), in which Nick Baker rode the No 3 bus through London, following in the tyre marks of a 1948 programme by Wynford Vaughan Thomas and a team of reporters. "Basically we were non-mockers," remembered Brian Johnston. "We'd try and put on the happy side." Johnstone's duty was to report from London Zoo, where he found himself in the bat house.

"Listen to them now as they chatter about," he said. Silence followed. "Absolute quiet from the bats." Johnstone honourably commented.

Baker was certainly chattering about. Billy Bragg might have asked more penetrating questions, but it was still obvious that, while bus-conductors have lamentably disappeared and London is generally less pleasant, some traditions are still honoured. Wynford Vaughan Thomas asked the driver of 1948 for a few tips. "The art of driving is to try and miss everything en route," explained the driver, "and carve up a few taxis."

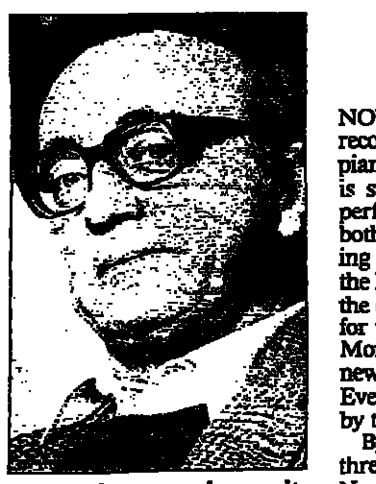
From the old country to the New World. Two programmes on Radio 4 on Saturday evening came from New York. In **Open Mind**, Sarah Baxter and Henry Porter chatted with their guests about cultural identity in modern America, and if the conversation did not spring any surprises, it stated the obvious in measured and intelligent tones. Baxter especially is a smooth performer, unobtrusive but direct.

Oddly, you may learn as much about America from **Postcard from Gotham**, presented by the directly obtrusive Mark Steyn. He attempts to match, variously, the laidback or hyperactive contributions from his guests. The programme is *very* self-consciously Noo Yawk, and therefore entertainingly florid.

ANDY LAVENDER

RECITAL: Four Beethoven piano sonatas played with urgent energy, but with no trace of Romantic excess

Measure of a master



Brendel: renewed assault on the pianist's Everest

Alfred Brendel
Festival Hall

NOW well into his third recorded cycle of Beethoven piano sonatas, Alfred Brendel is simultaneously giving live performances of the works both here and abroad. Judging by the size and nature of the Festival Hall audience and the enthusiasm of the acclaim for the third of the series, on Monday night, Brendel's renewed assault on this pianists' Everest is one to be savoured by the cognoscenti.

By juxtaposing the first three sonatas of the cycle, Op 2 Nos 1 to 3, with at least one work of Beethoven's middle period — the "Appassionata", Op 57 — Brendel allowed us to appreciate both the composer's progress towards idiosyncratic genius and his own range of response.

Brendel's playing is lean, muscular and shorn of anything resembling Romantic excess — whether youthful grand rhetoric or later temperamental outburst. In the A Major sonata, Op 2 No 2, the drama of the opening fanfare-like gesture was downplayed, almost to the point where it seemed playful. Equally, the striding opening of the first movement of the F Minor, Op 2 No 1, was, if not exactly peremptory, at least decidedly businesslike. No time for expansive declamation here: only an urgent desire to press forward the motivic argument.

Brendel's playing of works like these may not be characterised by exceptional intrinsic beauty, but that makes the tender moments, when they do come, all the more enchanting. The variations of the A Major's slow movement provided one such oasis; the intense lyrical cantabile of the F Minor's another — an intensity that found resolution in two perfectly weighted final chords.

Such strokes of mastery enhanced the "Appassionata" too. Here there was more than a touch of rhetoric, but always in controlled, measured outbursts: still no trace of sentimentality, rather the firm conviction that subjective feeling must finally be subordinated to structural integrity.

BARRY MILLINGTON

POP: **Louise Gray** on a welcome London appearance by a maestro of American soul music, still going strong after 20 years

Generous display of massive talent

Luther Vandross
Wembley Arena

As chants of "Loofer! Loofer!" beat the air above the crowd who were welcoming Luther Vandross back to Britain, a couple in the £22 seats were anticipating the great man's arrival. "Ooh, I hope he's still huge," said one, in reference to the singer's gravitational fluctuations. Her companion concurred. "He's so much better when he's mammoth sized."

Although Vandross today cuts an elegantly rotund figure, he is a long way from mammothdom. Nevertheless, there was, in this glittering and poised performance, plenty of him to go round. Some may have felt than in getting Britain's Dina Carroll to step into the opening slot vacated by En Vogue, Vandross was setting himself a hard act to follow. He was. Carroll, whose debut album has just gone platinum, is an artist of formidable talent. But the American soul singer, whose trophy cabinet groans under the weight of 20 years' worth of awards, showed himself a worthy maestro.

Vandross is synonymous with sleekly constructed love songs which are delivered with all the acrobatic grace of one schooled in America's black gospel choirs. Indeed, the romantically inclined members of his audience were well served by "Don't Be A Fool", "A House Is Not A Home", and "Heaven Knows", the second of only two songs taken from his latest album, *Never Let Me Go*.

DES JENSON

Luther Vandross: a glittering and poised performance

However, any man who kicked off his professional career backing David Bowie and Bette Midler could be trusted to have a lot more material tucked up the sleeve of his tuxedo, and in a set drawn from the past 13 years, Vandross punctuated the slow soul songs with up-beat dance hits. The brisk tones of "Never Too Much", a 1981 hit, had Wembley's capacity crowd in a frenzy.

Nat Addeley Jr kept his musicians on a tight leash in recognition of Vandross's own extraordinary vocal range. Capable of turning a single phrase to a spectrum of meaning, Vandross has an operatic power.

Camp theatricality contributed to the sense of occasion. The circular stage, placed in the Arena's centre, revolved and glowed like a Wurlitzer. The rhinestoned dresses of backing singers Lisa Fischer, Ava Cherry and Kevin Owens sparkled outrageously throughout and Vandross took time out through bantering interludes with them all.

Off-stage singer Paulette McWilliams is persuaded to come out to recreate the dance steps she used to do with Midler. Vandross sings "Boogie Woogie Bugle Boy". "She's going to poison my Diet Tango", he remarks as McWilliams slips, gratefully, back to the wings.

This was a generous show. Fischer got two smoochy ballads to herself: all the others were fulsomely credited with their own slots.

But the limelight belonged to Vandross. His closing number, "The Best Things In Life Are Free" was accompanied by mock bank notes that fluttered down from the rafters. A large electrically-driven cart ferried Vandross through the audience towards the dressing-rooms as the last notes of the last song died away. Thousands of hands reached up to him in supplication. It was as if a king had come home.

easily, it was like shaving" — which is not

JEREMY KINGSTON

Changes Everything".
The Theatre Club has arranged a special evening

Alexander Hanson and Kathryn Evans in *Love*

TODAY'S EVENTS

A daily guide to arts and entertainment compiled by Kris Anderson

LONDON

DEMON OF PAINTING: Kawanabe Kyosai (1831-89) was the great non-conformist of Japanese painting. Trained in the traditional style, he soon developed as a bold satirist — particularly anti-war work — with a phenomenal speed of workmanship. He was able to paint a 50-foot Kabuki theatre curtain in four hours. First extensive showing outside Japan.
British Museum, Great Russell Street, WC1 (071-636 1555). Opens today until Feb 12.

JANE EYRE: First night of previews for Alexandra Mathie and Tim Pigott-Smith in the well-known romantic melodrama. Adapted by Fay Weldon and directed by Helena Kaut-Howson.
Playhouse, Northumberland Ave, WC2 (071-839 4401). Tonight, 7.45pm. Opens Dec 7.

KRONOS QUARTET: The world's most fashionable string quartet play Schnittke's Quartet No 2, Louis Andriessen's massive *Facing Death* and a special collaboration with the African kora player Foday Musa Suso.
Festival Hall, South Bank, SE1 (071-928 8800). Tonight, 8pm.

WIND IN THE WILLOWS: Back for the really and truly last time, but running until March. Desmond Barrit as *Mr Toad*.
National (Olivier), South Bank, SE1 (071-928 2252). Tonight, 7.15pm.

ELSEWHERE

ASHINGTON: Pianist Cécile Ousset joins the **Royal Philharmonic Orchestra** under Günther Herbig in a programme of Schubert (Symphony No 8); Rachmaninov (Paganini Variations); and Brahms (Symphony No 2).
Ashington Leisure Centre, Institute Road (0670 814444). Tonight, 7.30pm.

HULL: More Christmas panto than dance, the **Northern Ballet Theatre** production of Charles Dickens's *A Christmas Carol* is none the less an entertaining and attractive alternative to the traditional holiday fare.
New Theatre, Kingston Square (0482 226655). Tonight-Sat, 7.30pm; mats Thurs and Sat, 2.30pm.

LEICESTER: Backstage is about to resemble a roundabout as Paul Kenyson's magical pantomime **Cinderella** joins **Carousel**, already in performance. With Russell Dixon.
Haymarket, Belgrave Gate (0533 539797). *Cinderella*: today, 1.30pm, to Jan 15; *Carousel*: tonight, 8pm, to Feb 5. Phone for other performance times.

LEEDS: And yet another opening night: this, for Sheila Hancock as Rose, epitome of the star's pushy mother, in **Gypsy**. Music by Jule Styne, lyrics by Sondheim, design inspired by Hopper, Dix and Burra.
Quarry Theatre, West Yorkshire Playhouse (0532 442111). Tonight, 7.30pm. Then Mon-Fri, 7.30pm; Sat 8pm; mats Wed 2pm and Sat 3pm. Till Jan 29.

LONDON GALLERIES

Barbican: Alphonse Mucha/Bill Brandt (071-638 4141) ... **British Museum:** Deities and Devotions: Hindu art (071-636 1555) ... **Festival Hall:** Bruce Chatwin's Photographs (071-928 3002) ... **National Portrait Gallery:** The Portrait Now; Thomas Eakins (071-306 0055) ... **National Gallery:** Ken Kiff (071-839 3321) ... **Royal Academy of Arts:** Drawings from the J. Paul Getty Museum; American Art in the 20th Century (071-439 7438) ... **Serpentine:** Richard Wentworth (071-402 6075) ... **Tate:** Writing on the Wall: women artists; Ben Nicholson; Turner's Vignettes (071-887 8008) ... **V & A:** Gates of Mystery: Russian icons (071-938 8500).

THEATRE GUIDE

Jeremy Kingston's assessment of theatre showing in London

■ House full, returns only
◪ Some seats available
□ Seats at all prices

■ **ANGELS IN AMERICA:** Religion, sex, Aids, corrupt politics: a vision of America at the edge of disaster. Tony Kushner's double bill of the award-winning *Millenium Approaches* and its sequel *Perestroika*.
National (Cottesloe), South Bank, SE1 (071-928 2252). Today 1pm and 7pm.

□ **THE BFG:** Roald Dahl's Big Friendly Giant makes his now annual call on London. Great family fun.
Albery, St Martin's Lane, WC2 (071-867 1115). Mon 7pm; Tue-Fri, 2pm and 7pm; Sat 11am, 2.30pm, 7pm.

◪ **CAROUSEL:** Tuneful and cleverly set Rodgers and Hammerstein has the familiar mixture of the perceptive and the maudlin.
Shaftesbury, Shaftesbury Avenue, WC2 (071-379 5399). Mon-Sat, 7.30pm; mats Wed, Sat, 2.30pm. 165mins.

□ **FOREVER PLAID:** Genial and wittily performed homage to the four-part harmony groups of the 1950s.
Apollo, Shaftesbury Avenue, W1 (071-494 5070). Mon-Thurs, 8pm; Fri, Sat 8.30pm; mats Fri, Sat, 6pm.

□ ***THE GREAT HIGHWAY:*** Strindberg's last play, a kaleidoscopic work in many styles, harking forward to Beckett and the Theatre of the Absurd.
Gate, 11 Pembridge Rd, W11 (071-229 0706). Previews from tonight, 7.30pm. Opens Dec 3, 7.30pm. Till January 8.

□ **HOT STUFF:** The glitter and glam of the Seventies in a compilation musical from Paul Kerryson.
Cambridge, Earlham St, WC2 (071-494 5040). Mon-Thurs, 8pm; Fri, 6pm and 9pm, Sat, 5pm and 8pm.

□ **AN INSPECTOR CALLS:** Stephen Daldry's marvellously re-imagined version of Priestley's social thriller.
Aldwych, Aldwych, WC2 (071-836 6404). Mon-Fri, 7.45pm; Sat, 5pm and 8.15pm; mat Wed, 2.30pm.

□ **LOOKING THROUGH A GLASS ONION:** John Waters stars in his own musical tribute to John Lennon, and comes remarkably close to conveying his mysterious, if chaotic, charm.
Criterion, Piccadilly Circus, W1 (071-839 4488). Mon-Thurs, 8pm; Fri, Sat, 6pm and 9pm.

□ **MOONLIGHT:** Ian Holm and Anna Massey in the West End transfer of Pinter's play: a sour civil servant, unmourned by his family, rages against his approaching death.
Comedy, Panton St, SW1 (071-867 1045) Mon-Sat, 8pm; mats Wed, 3pm and Sat, 5pm.

◪ **NIGHT AFTER NIGHT:** Neil Bartlett's amble round the gay hinterland of the late 1950s. A spirited, enjoyable and intelligent show with music by Nicolas Bloomfield.
Royal Court, Sloane Square, Sw1 (071-730 1745). Mon-Sat, 8pm; mat Sat 4pm.

◪ **OLEANNA:** Power, politics and punishment at an American university. Great performances by David Suchet and Lia Williams in Mamet's play.
Duke of York's, St. Martin's Lane, WC2 (071-836 5122). Mon-Sat, 7.30pm; mats Thurs, 3pm and Sat, 4pm.

◪ **ONE MAN:** Electrifying performances by Steven Berkoff in three solo pieces: Poe's *Telltale Heart*; *Actor*, and *Dog*, his hilarious, chilling view of life as seen by a lager lout's rottweiler.
Garrick, Charing Cross Road, WC2 (071-494 5040). Mon-Sat, 8pm.

□ **RELATIVE VALUES:** Susan Hampshire, Sara Crowe and Alison Fiske head a strong cast in Coward's snobbish but clever comedy. Tim Luscombe directs.
Savoy, Strand, WC2 (071-836 8888). Mon-Sat, 7.45pm; mats Wed and Sat, 3pm.

■ **TRAVESTIES:** Tom Stoppard's dazzling word-spinner revived with Antony Sher as the aged consul remembering Lenin, Joyce and Dada in 1917 Zurich. Adrian Noble directs; designs by Richard Hudson.
Barbican, Silk Street, EC2 (071-638 8891). Tonight and Thurs, 7.15pm.

◪ **WALLENSTEIN:** Tim Albery's directing debut for the RSC in Schiller's mighty drama about shifting allegiances and power's capacity to corrupt. Ken Bones plays the great general. After 200 years, a British premiere. Designer, Antony McDonald.
Pit, Barbican Centre, EC2 (071-638 8891). Tonight, 7.15pm.

LONG RUNNERS

□ **Blood Brothers:** Phoenix (071-867 1044) ... □ **Buddy:** Victoria Palace (071-834 1317) ... ◪ **Cats:** New London (071-405 0072) ... ◪ **Crazy for You:** Prince Edward (071-734 8951) ... □ **Don't Dress for Dinner:** Duchess (071-494 5070) ... □ **Five Guys Named Moe:** Lyric (071-494 5045) ... ■ **Grease:** Dominion (071-580 8845) ... ■ **Joseph and the Amazing Technicolor Dreamcoat:** Palladium (071-494 5037) ... ◪ **Les Misérables:** Palace (071-434 0909) ... ◪ **Miss Saigon:** Theatre Royal, Drury Lane (071-494 5400) ... □ **The Mousetrap:** St Martin's (071-836 1443) ... ■ **The Phantom of the Opera:** Her Majesty's (071-494 5400) ... ◪ **Starlight Express:** Apollo Victoria (071-828 8665) ... ■ **Sunset Boulevard:** Adelphi Theatre (071-344 0055) ... □ **Travels With My Aunt:** Whitehall (071-867 1119) ... □ **The Woman in Black:** Fortune (071-836 2238).

Ticket information supplied by Society of West End Theatre

CINEMA GUIDE

Geoff Brown's assessment of films in London and (where indicated with the symbol ◆) on release across the country

NEW RELEASES

AMONGST FRIENDS (18): Adventures of young Long Island hoodlums. Hollow showpiece for young writer-director Rob Weiss with Steve Parlavecchio, Joseph Lindsey and Patrick McGaw.
MGM Panton Street (071-930 0631) **Renoir** (071-837 8402) **Screen on Baker Street** (071-935 2772)

◆ **BENEFIT OF THE DOUBT** (18): Murderous father Donald Sutherland returns to torment daughter Amy Irving. Clumsy thriller from Jonathan Heap.
MGMs: Fulham Road (071-370 2636) **Oxford Street** (071-636 0310) **Trocadero** (071-434 0031) **Warner** (071-437 4343)

CB4 (18): Tamra Davis's dishevelled rap music spoof with a few bright ideas. Chris Rock, Allen Payne, Deezer D.
MGM Trocadero (071-434 0031) **Plaza** (071-497 9999) **UCI Whiteleys** (071-792 3332).

◆ **HARD TARGET** (18): Unpleasant and violent human prey thriller with Jean-Claude Van Damme. A deeply disappointing American debut for Hong Kong director John Woo.
Empire (071-497 9999) **MGM Trocadero** (071-434 0031) **UCI Whiteleys** (071-792 3332).

IP5 (15): Yves Montand teaches two urban louts the wonders of nature and love. Highly watchable, stylised twaddle from Jean-Jacques Beineix.
Camden Plaza (071-485 2443) **Chelsea Cinema** (071-351 3742)

RUBY IN PARADISE (15): Passive young woman (the striking Ashley Judd) finds her niche in Florida. Intimate, aggravating drama from Victor Nuñez.
Barbican (071-638 8891) **MGMs: Chelsea** (071-352 5096) **Tottenham Court Road** (071-636 6148) **Screen on the Hill** (071-435 3366)

CURRENT

ALADDIN (U): Disney's brash Arabian cartoon does not match expectations, though Robin Williams' Genie is fun. Directors, John Musker, Ron Clements.
Odeon Leicester Square (0426-915683)

◆ **DAVE** (15): The US President's lookalike takes over. Beguiling comic fantasy, with Kevin Kline and Sigourney Weaver. Ivan Reitman directs.
MGMs: Fulham Road (071-370 2636) **Trocadero** (071-434 0031) **Odeon Marble Arch** (0426 914501) **UCI Whiteleys** (071-792 3332) **Warner** (071-437 4343)

◆ **DEMOLITION MAN** (15): Sylvester Stallone versus Wesley Snipes in 21st century L.A. Marco Brambilla's satirical if overblown action romp.
MGMs: Baker Street (071-935 9772) **Fulham Road** (071-370 2636) **Oxford Street** (071-636 0310) **Trocadero** (071-434 0031) **UCI Whiteleys** (071-792 3332) **Warner** (071-437 4343)

◆ **THE MAN WITHOUT A FACE** (12): Scarred recluse tutors a young outcast (Nick Stahl). Queasy drama from director-star Mel Gibson.
MGMs: Baker Street (071-935 9772) **Chelsea** (071-352 5096) **Trocadero** (071-434 0031) **Odeons: Kensington** (0426-914666) **Swiss Cottage** (0426 914098) **Plaza** (071-497 9999) **Warner** (071-437 4343) **UCI Whiteleys** (071-792 3332)

NAKED (18): Mike Leigh's excellent, uncomfortable Cannes prizewinner about London's lost souls, with David Thewlis as the amoral drifter who hits the pavements.
Barbican (071-638 8891) **MGMs: Chelsea** (071-352 5096) **Haymarket** (071-839 1527) **Tottenham Court Road** (071-636 6148) **Notting Hill Coronet** (071-727 6705) **Odeon Kensington** (0426-914 666)

◆ **THE PIANO** (15): Jane Campion's magnificent tale of repression and desire in mid-19th century New Zealand. With Holly Hunter, Sam Neill, Harvey Keitel.
Gate (071-727 4043) **Lumiere** (071-836 0691) **MGMs: Fulham Road** (071-370 2636) **Tottenham Court Road** (071-636 6148) **Plaza** (071-497 9999) **Screen on Baker Street** (071-935 2772) **Screen on the Green** (071-226 3520) **Warner** (071-437 4343) **UCI Whiteleys** (071-792 3332)

◆ **POSSE** (15): Outlaw blacks ride the prairie. Just an urban ghetto drama in Western clothes. Mario Van Peebles stars and directs.
Electric (071-792 2020/0328) **MGM Oxford Street** (071-636 0310) **Odeons: Kensington** (0426 914666) **West End** (0426 915574)

THE REMAINS OF THE DAY (U): Life and lost chances of an English butler. Merchant Ivory's immaculate if chilly account of Kazuo Ishiguro's novel starring Anthony Hopkins and Emma Thompson.
Curzons: Mayfair (071-465 8865) **West End** (071-439 4805) **Odeons: Kensington** (0426-914 666) **Swiss Cottage** (071-586 3057)

THE STOLEN CHILDREN (15): Policeman escorts prostitute's children to Sicilian orphanage. Perceptive human drama from Gianni Amelio.
MGM Piccadilly (071-437 3561) **Odeon Swiss Cottage** (071-586 3057)

THEATRE: New writing in Los Angeles; and (below) a Fringe extravaganza in London

Thespians in Tinseltown

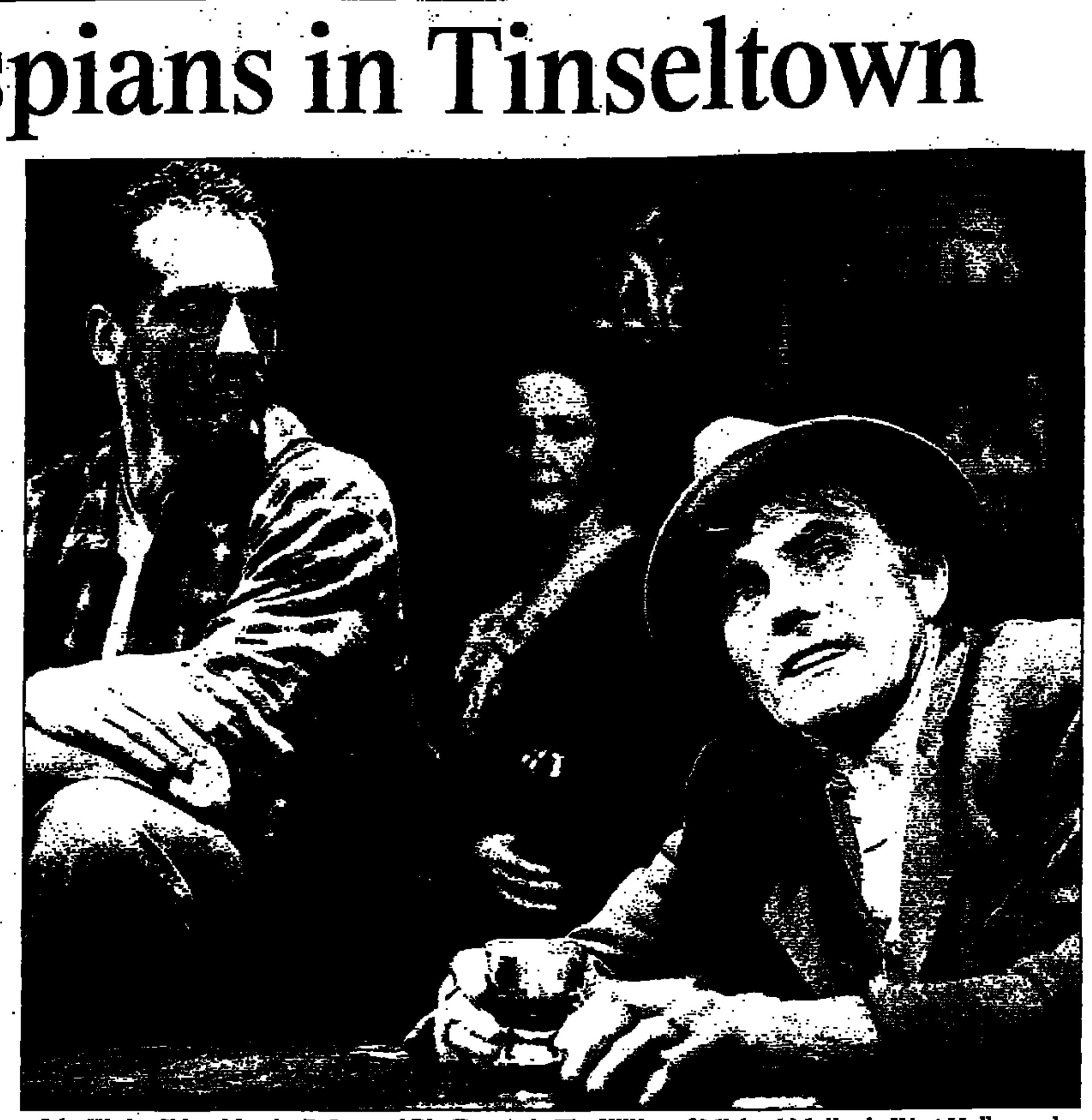
There is more to LA than just Hollywood, writes Matt Wolf

When it comes to the American theatre, Broadway commands the lion's share of media attention, not least because most New York critics would rather investigate theatre in London than elsewhere in their own country. Over the years Chicago has helped shift attention away from the East Coast with its array of companies that can hold their own against the nation's best. So, in its way, has California, as this year's Tony Award winners make clear.

Millennium Approaches, the award-laden first half of Tony Kushner's *Angels in America*, was seen first in San Francisco and then in Los Angeles before New York: and neither that play nor its successor *Perestroika* would have reached New York or London without the support of California-based director Oskar Eustis and San Francisco's (now defunct) Eureka Theatre. *The Who's Tommy*, a second multiple Tony winner, began its route to New York outside San Diego at the La Jolla Playhouse, a theatre as comfortable with the work of Shaw and Athol Fugard as it is with such Broadway juggernauts as *Tommy*.

Compared to the regular complement of openings in New York and London, neither Los Angeles nor San Francisco can compete on the same scale; and the sheer physical spread of playhouses across Los Angeles — a fact characteristic of a generally decentralised city — will dismay those looking for a theatre district. Still, if there's no unity to the theatre in LA that is not to say the theatre doesn't exist. The city is in fact teeming with displaced New Yorkers, the majority drawn by the lure of television and film, nonetheless eager to continue treading the boards. Amy Irving may busily nurse her film career, but not without taking a break to head the LA company several years back of Wendy Wasserstein's Pulitzer Prize-winning *The Heidi Chronicles*. Recently, no less a screen comer than Holly Hunter (*The Piano*), a New York stage veteran, could be found workshopping a play by southern writer Beth Henley.

The film star currently most in theatrical evidence is Glenn Close, Andrew Lloyd Webber's chosen Norma Desmond in the American premiere of *Sunset Boulevard*, opening on December 9 at LA's Shubert Theatre. Rarely does a show find billboard space by the freeways alongside the forthcoming Christmas movies: *Sunset*, based on a film of iconic significance and abetted by curiosity over Close's first musical since a 1980 Broadway *Barnum*, has done it.



John Wesley Shipp, Maurice Roëves and Rita Taggart in *The Killing of Michael Malloy* in West Hollywood

Inevitably, theatre is a second cousin to film in Los Angeles, and it was worth noting that nothing I saw there was more than half full. In the case of **The Killing of Michael Malloy**, Erik Jendresen's play at the Tiffany Theatre, truant ticket buyers aren't missing much. Based on a true Bronx tale from 1933, Jendresen's play about a would-be insurance scam gone awry when a targeted murder victim won't die has the feel of a falsely energetic and ribald audition piece being acted to an invisible camera. As directed by Ron Link, the 12-member cast (including Antony Alda, son of actor Alan) labours under pseudo-New Age writing, but the play is no less fraudulent than its schemers.

Kevin Heelan's **Distant Fires**, on the other hand, deserves fuller houses at the Coast Playhouse than it drew in previews. Heelan's play begins with good rough comic repartee as its labourers assemble for work one sweltering day on a Maryland construction site. But before its 90 minutes have passed, the play has spiralled into a searching account of American racial and class strife in our own fiery age; and its opening the very week LA was itself experiencing not so distant fires — the firestorms in Malibu Canyon and beyond — lent a frisson to Clark Gregg's provocative staging.

If LA's theatrical fate is in part to assemble top-drawer talent to scant audiences, San Francisco evinces no such problem. More East Coast in feel than Los Angeles, the northern California city has a steady theatregoing populace capable of sustaining three major year-round companies as well as such touring road shows as *Phantom of the Opera*, *Crazy For You*, and the like. Indeed, attending a packed Wednesday matinee of *Pygmalion* at the American Conservatory Theatre, a visitor may well have felt at home among the same appreciative elderly audience that keeps mid-week matinees going the world over.

The city's theatrical appetite extends beyond dutiful, and dull, Shaw retreads. The Magic Theatre, the Bay Area's own Royal Court equivalent, is famed for its world premieres by Sam Shepard (*Buried Child*, *True West*), among others, even if its current entry — José Rivera's linked playlets, *Giants Have Us In Their Books* — amounts more to a (poorly acted) theatrical footnote than an extension of an illustrious pedigree.

No trip to San Francisco would be complete without George Coates, a performance artist whose new work *Box Conspiracy: An Interactive Sho* (Performance Works, to December 31) takes an admonitory look at our technological future. While the audience dons 3-D glasses, Coates uses computer-altered images and projections to warn against thousands of channels offering "choice and convenience", but not quality.

The thesis is unarguable, but Coates's technical wizardry actually contradicts his point. Visually deft though *Box Conspiracy* is, one has to wonder about a piece cautioning against excessive sensory stimuli when that is precisely its appeal.

Loud, brash, lavish ... and dull

Sweet Charity
Man-in-the-Moon, Chelsea

THE Christmas musical at the Man-in-the-Moon, *Sweet Charity*, directed by Phil Willmott, is an extravaganza for a fringe venue. A cast of 20 dressed up to the nines waits for you. Bouncers in white silk scarves and black leather coats check your tickets at the door, as though the audience is the clientele of the Fandango Ballroom, the sleazy New York joint where the heroine, Charity, unwillingly works. Pianist John Snelson and his upright have been hoisted above head level. On a balcony is a clutch of good-time dancing girls barely covered by their stockings and shimmery mini dresses.

Niall Rea's design, echoing the two-tier auditorium, is the best I have seen in this space, and the costumes are delightfully lavish and loud: a brazenly glittery scarlet bra; a blare of turquoise satin.

This does not save the production from being dull. Some actors look awkward and pick up cues slowly. The plot is ineptly episodic: Cy Coleman's successful songs are spread between Neil Simon's uninspired dialogue.

Still, Mari Wilson (Nickie) gets the show going with her softly husky come-on, "Big Spender". Sandra Bee is wittily sexy, repeating that number in a lispy whisper. Omar F. Okai briefly flies high, doing the splits on a horizontal bar ten feet up and getting frisky with vertical poles as Daddy Brubek, priest of free love.

Stash Kirkbride as Oscar — Charity's fiancé — copes formidably, blinking neurotically and talking at top speed while trapped in a lift, singing his way through slush, and managing sudden character reversals. Nevertheless, Charlotte Bicknell's Twiggy-thin Charity cannot carry the show. She does not fill out her character with enough of anything: dippiness, comic coarseness over a glass of champagne, or kapow in a top hat routine.

Struan Leslie's choreography is pretty lame and nobody satisfyingly lets rip vocally or physically. There is a flash of social relevance, as, stuck in wretched jobs, the dancing girls sing: "There's got to be something better than this." Unfortunately, the lyrics are depressingly pertinent.

KATE BASSETT

It's live, Jim, but not as we know art

Can a genre that crosses all the boundaries of performance really be taught? Big money says it can, Andy Lavender reports

In times of financial hardship, one area of the arts has seen its funding from the Arts Council rise by 600 per cent over the past three years. Admittedly, the £300,000 that live art now receives is not the most princely of sums. But its very availability indicates that work which used to baffle audiences and arts mandarins alike is now being accorded recognition, even respectability.

Live art? The term is slippery, deliberately so according to its practitioners. It describes work which falls across or outside traditional boundaries separating theatre, film, literature and other disciplines. The most persuasive evidence of its advance is its acceptance within a number of academic institutions. Live art is now part of the curriculum at at least eight colleges and universities across the country, and other institutions are showing interest. The Arts Council has followed this development with two publications: last year's *Live Art in Higher Education* and, just off the presses, Richard Layzell's *Layers of Potential Live Art in Schools*.

Practitioners of live art might recoil with horror at the idea, but their work is now becoming legitimised. Further proof came last Saturday. At a meeting timed to coincide with NOW '93, Nottingham's festival of live art, a group of practitioners and teachers formally inaugurated Intersect, a body set up to foster live art within higher education.

At the meeting, a great deal of energy was expended shying *away* from the notion of live art as a purely academic discipline. "Practise what you teach," seemed to be the chief message. But once the i's are dotted and the t's crossed, it is clear that Intersect might eventually have a serious political role. The Universities' Funding Council now recognises practical work as a valid research endeavour, and the more research an institution can lay claim to, the more money it can receive.

The challenge is clear: live art must present itself as a coherent object for study: and as a significant pursuit, practised by more than just the irrelevant and the self-indulgent. The money will then follow.

There are obvious difficulties. How do you *teach* live art? Not, it appears, as a historical phenomenon, as one might study the drama of Ibsen, for instance. "Rather than say that students cannot practise live art unless *they* have done the history of the form, we get them to make their own work and *then* introduce critical contexts," says Robert Ayers, head of the department of visual and performing arts at Trent University, Nottingham.

'It brings to bear a mixture of history, literary theory, film theory, philosophy, physics, medicine and poetry'

This is good news for live art practitioners, who now get invited to academic institutions to describe their working methods. Forced Entertainment, whose touring production *Club of No Regrets* arrives tonight at London's ICA, is one of Britain's best-known performance companies and thus treads well-worn paths to the doors of educational institutions. Founder-member Tim Etchells describes different models for projects with students.

"The first is where you work towards a public presentation," he says. "We developed a piece with students from Warwick University, working with them for one day a week for four weeks, then for two weeks solid. We started from a four-minute clip from a film by Paul Schrader, which we then approached in lots of different ways using performance, video and text."

Last June the ICA hosted a four-day run of student-devised shows, comprising the Warwick piece and another piece developed by students at De Montfort University in Leicester. Unsurprisingly, Etchells has worked there as well.

"The students had just arrived and their idea of theatre was very particular," he says. "We had them go on long walks through the city just collecting things. We ended up with a presentation as far from a live performance as you can imagine. It was more like an installation, and people just came in and wandered round for half-an-hour."

Projects like this are bound to raise hackles, notably among those who argue that live art is neither lively nor artistic nor, where it is on the curriculum, rigorously academic. But according to Joanna Scanlan, formerly a lecturer herself and now the Arts Council's live art officer, such rigour is inherent in the process of making the work in the first place.

"Live art is about using creative intelligence," she says. "It brings to bear a mixture of history, literary theory, film theory, philosophy, physics, medicine even, and poetry. It's a bit like the art school tradition where everything is significant, and where the object itself is of value."

Nor should one assume that live art, with its remorseless modernity, is completely inimical to other forms of artistic study. "I don't see any dichotomy at all between teaching Ibsen, Chekhov, Brecht or Pinter along with the work that Tim [Etchells] or myself do," says Pete Brooks, director of Insomniac Productions. "We should create as diverse a cultural life as possible."

A recent Insomniac production, *L'Ascensore*, has the audience viewing the piece through the door of a lift. The show has already been seen in Italy, France and Belgium, and in the next couple of months will play at festivals in Hong Kong and Australia.

Both this and the company's more recent show, a nine-woman version of Buchner's *Woyzeck*, had their initial development within the halls of academia. For, aside from his life as a director, Brooks has been a Fellow at Lancaster University, and has also taught at Manchester and De Montfort universities. Such contact between students and professionals can be mutually beneficial, Brooks says. "It is useful to work with large casts and without financial pressures."

A scene from *Club of No Regrets*, the latest production from Forced Entertainment, which opens tonight at the ICA, in London

One other development is worth considering. Live art has been nothing if not postmodern: a mish-mash of influences, ironic at every turn but often unutterably glib and empty. It might now be turning a corner as cultural values themselves shift. "People are looking for notions of truth again, so the work itself is changing," Scanlan says. "People are beginning to talk about belief again."

Etchells agrees. "It didn't take Forced Entertainment long to get frustrated with postmodernism as a term," he says. "It didn't seem to be able to take on the cornerstones of our work: passion, commitment, ideas about beauty and value. We're trying to make things that matter."

Live art still attracts scepticism, but you disregard it at your peril. We are already seeing shows that use modern, mixed-media techniques to explore areas of great social or personal significance.

And this work is now making inroads into the academic institutions that are even now producing tomorrow's artists, critics and audiences.

ESC's revels are ended

ARTS BRIEFING

AFTER months of struggling to balance the books, the English Shakespeare Company is to cease operations as a large-scale touring company. The ESC, created by the director Michael Bogdanov and the actor Michael Pennington, has taken the decision because it has become more and more difficult to tour in the current financial climate. The ESC hopes to wind up in April with its production of *Romeo and Juliet* at the Theatre Royal in Plymouth, the theatre where the company started in 1986.

The ESC has Arts Council funding of £100,000 for its current tour, which consists of *Romeo and Juliet* and *Julius Caesar*. Those two productions will tour as planned after Christmas until the end of the financial year. However, the ESC is hoping to continue running its education work — the more successful side of the company — providing it can obtain sufficient sponsorship. The company's pioneering education activities have taken in schools, residential homes, prisons and young offenders' institutions. It is hoped the ESC will be able to continue touring work specially designed for children.

● THE French minister of culture, Jacques Toubon, has amalgamated the two Paris opera houses under the name L'Opéra National de Paris (ONP). Under the new director of the combined operation, Hugues Gall, who comes from the Geneva Opera to take over in August 1995, the old Opéra Garnier will put on smaller-scale opera again as well as ballet, while grand, romantic ballets like *Swan Lake* will appear on the giant stage of the Bastille. Gall says that he will discuss with the current music director of the Paris Opéra, Myung-Whun Chung, whether they can "cohabit" or not.

Gall intends to introduce a full-scale repertory system at both houses. He thinks that too many of the productions at the Bastille have been one-offs that could not be kept and repeated because of their elaborate technical effects. To help him build up the repertory, the ONP will get an extra FF20 million a year (on top of the current FF500 million). There will also be more cheaper seats. The name ONP is clearly intended to remind theatregoers of the great TNP, or Théâtre National Populaire, directed by Jean Vilar so successfully in the years immediately after the war.

Who party

CARNEGIE Hall in New York has been booked for two nights in late February as the venue for what is being billed as one of the hottest rock 'n' roll events in years. The Who's Roger Daltrey will stage a gala tribute to the music of Pete Townshend, the songwriting genius behind The Who. A virtual all-star lineup of "the world's most gifted musicians" is promised to join in the celebration.

● HERE's a new twist on the teacher-pupil relationship: dance classes by satellite. Thanks to the magic of modern technology, the choreographer Richard Alston will demonstrate his skills and answer questions from three different schools tomorrow, via a Business TV link. Students will be able to hear Alston's answers as well as watch him demonstrate. Business TV is an interactive service which enables people to address conferences — even on the other side of the world — by satellite. Tomorrow's link, from the British Performing Arts and Technology school in Croydon, was set up by the Worshipful Company of Information Technologists and BT.

Last chance . . .

THE Linbury Prize exhibition at the National Theatre provides a chance for a backstage look at theatre design. It features set models and costume designs by 15 young designers, based on briefs from three British companies: Birmingham Royal Ballet, the Gate Theatre and the West Yorkshire Playhouse. The show can be seen, free of charge, from 10am to 11pm, in the Lyttelton circle foyer until Saturday.

JAZZ RECORDS

Heady spin for Dizzy

MENTION the name of Dizzy Gillespie and thoughts immediately fly back to the ground-breaking 52nd Street partnership with Charlie Parker. Bebop was born, and Gillespie's place in history secured. Yet as far as many of his admirers are concerned, he came to full maturity as a trumpeter some years later, in a ten-year span beginning in the mid-1950s.

Re-issued after an absurd length of time, *Gillespiana* (Verve 519809) lends weight to that view. A brassy, five-movement orchestral suite by the Argentine pianist and arranger Lalo Schifrin, the 1960 session gave Gillespie the opportunity to indulge his passion for Afro-Latin music in a more intricate, classically derived format. It is, if you like, his hot-blooded riposte to the hugely popular and more studied orchestral albums of Miles Davis.

Schifrin, it has to be said, is no Gil Evans. His arrangements are all brash primary colours rather than soft autumnal shades, and there are passages that are closer to superior film music than jazz (Schifrin had, in fact, worked in the Argentine movie industry and later wrote the soundtrack for Hollywood hits such as *Dirty Harry*.) But as a launch-pad for Gillespie's stratospheric phrasing the charts do the job.

The opening and closing movements, "Prelude" and "Toccata", find Gillespie bubbling over with vitality, his articulation bright and confident. Schifrin's exotic soundscape on "Africana" — echoes of many a Tarzan potboiler — has worn less well, but the rest of the session is imbued with an unmistakable sense of excitement.

The same mood prevails on the second half of this exceptional work, given over to five tracks from a live big band performance at Carnegie Hall four months later. The classic "Manteca" gets a vigorous reworking, Gillespie plays the clown on the scat number "Ool Ya Koo", and that much over-exposed standard "Night in Tunisia" is dressed up in stylish new threads in "Tunisian Fantasy".

CLIVE DAVIS

Dizzy Gillespie in typical style, putting on a show as his music reaches for the stars

THEATRE

Grinding of a dull axe

Wild Things
Playhouse Studio
Salisbury

ALL is not well inside our psychiatric hospitals. Officials tell us this; so do doctors: and now Anna Reynolds, a former patient (sent to a secure unit at 18 after killing her mother), presents the insider's view of life inside. Her grasp of the material must, or at least ought, to be firmer than mine, and yet I found the sequence of events she chronicles unbelievable. Frequently incomprehensible, too, and, worst of all, a thoroughly tedious 80 minutes in the theatre, shorn of drama, starved of psychological realism and short by a long way of the black comedy promised in the publicity.

The patients in these hospitals are not well, of course, but then neither is the crass Nurse Katie, who hates them. Then there's Dr Phoebe Trick, the consultant psychiatrist with a German accent — initially thick but thinning as the 80 minutes proceed — who simply gives up on the job, so ashamed is she of having ended a session with a patient on the verge of blurting out some painful memory just because his 50 minutes was up.

The patient's name is Johnny, a psychopath, rapist and murderer. He speaks at the top of his voice because the actor, Christopher McHallem, has forgotten that he is in the Playhouse Studio, not the main house.

A second patient is Diane, pregnant and wisely preferring to remain silent for much of the evening, until suddenly, hey presto!, she regains the will to speak, possibly because her healing hands helped Johnny to stop holding a knife to Nurse Katie's cheek.

While doing this he has continued the interrupted story of how he met a prostitute, loved and knifed her — "So easily, it was like shaving" — which is not an image that has ever come to me while at work on my chin. Only in films, and poor films at that, do killers force a victim to hear their history.

The play contains moments of comedy, but are they intentional? When Dr Trick (Holly de Jong) says: "Do you feel you can trust me?" while down on her knees addressing Diane hiding under her bed, the picture is a James Thurber cartoon come to life.

Joy Elias-Rilwan's Nurse Katie is moderately believable because some nurses do detest their patients and harass them with stupid questions. Their prime concern is with life outside, and whether to paint the bathroom peach or pampas.

Jennifer Scott-Malden's Diane looks pretty, silently fingering her fingers, and when she speaks she does so in a gently dreamy voice. But the impulses behind her stares are inconsistent and therefore puzzling. Deborah Paige's direction for Paines Plough makes little sense of this play by an author who won two awards for her previous work, *Jordan*. Evidently, Reynolds has an axe to grind, but what's the axe?

JEREMY KINGSTON

CLASSICAL RECORDS

Well-seasoned baton

The long footsteps of retreating winter and the leaping harmonic light of spring immediately signal Sir Georg Solti's new Haydn, **Die Jahreszeiten** (*The Seasons*). It could be from the baton of nobody else. In a live recording from the Orchestra Hall, Chicago (Decca 436 840-2), Solti sweeps the city's symphony orchestra and chorus through the swiftly changing seasons.

On he drives them, through the tiny illustrative details of lambs, birds and bees demanded by Haydn's patron, despised by the composer himself, and relished by Solti's instrumental soloists. On, unflaggingly, to the apotheosis of a vibrant grape harvest celebrated with rough peasant vigour in a style only just Haydn's side of the border with Solti's native Hungary.

This was Haydn's last major work, and it all but broke his back. There are times, too, when one can sense something of the effort it cost him to spin enough flax and folksongs to fill the long winter evenings of his commission. But Solti's soloists make light work of it.

The radiant young soprano Ruth Ziesak, still known in Britain largely through recordings alone, graphically characterises the fresh-faced country girl portrayed by Haydn's shamelessly chauvinistic poet-patron Baron von Swieten. She duets mellifluously with tenor Uwe Heilman, while René Pape's bass is as bountiful as autumn's harvest.

While Haydn was at work on his *Seasons*, he also completed the **Theresienmesse**, which now appears in a robust new recording from Trevor Pinnock and the English Concert and Choir (Archive 437 807-2). Increasingly, Pinnock's performances seem activated by an obsessive motor-rhythmic energy: steady, even stolid instrumental articulation rules even the vocal writing.

Here, the presence of the bright, ruddy-cheeked voices of Nancy Argenta, Catherine Robbin and Alastair Miles give welcome human colour to a performance whose rigours are at times almost self-defeating.

HILARY FINCH

Why radio is the last of the great romantic adventures

Tune in to my dream

Yesterday the Radio Authority set me dreaming. Vainly, mind: when ITN and Associated Newspapers, Reuters and LBC and a mob of determined women called Radio Viva are also in the running, there is not much hope for the lone, hesitant, rural Reithian. But at the moment when the advertisement invited bidders for Britain's third independent national radio service, the heart leapt like a salmon. A blank sheet, a virgin page, a frequency of one's own! Magic!

To start a radio station is the last of the great romantic adventures; at least, the last one available. It has to be radio, because starting a TV channel is clearly nothing but aggravation. You have to buy all these expensive puffed-up presenters with blonde bobs that show their earrings, and find street-smart grunge lads to counterbalance them; meanwhile the print media are all hanging on your every word, so that when you have been up all night reading contracts and find yourself mouthing daft things about "sexual chemistry" or "F-factors", you are publicly denounced on every street-corner.

Television forces you to deal with the nerviest end of the advertising industry, come to baroque agreements with stroppy technicians, and choose a sofa. I cannot see that it is any fun at all.

But radio is different. Your publicity is in a lower key, your expenses are comparatively small, and the moment you have an idea, the odds are that you can do it, with a couple of sound-effects and a pageful of scribbled notes. Guests come in more willingly and in a better temper, because they don't have to bother going to the hairdresser in order to make their point; and you can choose presenters for their mind and their manner rather than their looks.

Also, since radio in its speed and informality betrays more of the inner person than television ever can, you are more likely to find that the men and women your audience likes best are quite bearable in real life as well.

You are not lumbered with a gang of much-loved national figures who are pots of pure poison to deal with. This phenomenon does occur in radio, but far less often: I remember once as a junior studio manager playing records for one of the old school of soupy Radio 2 granddaddies, who concluded his broadcast: "Goodnight — and at this holy time of Christmas, God be with you all. God bless." And, without altering his tone, as the red light snapped off,

LIBBY PURVES

"...Has that silly little bitch got the new year records ready? Can we go straight on?" Startled out of my humble composure, I said "God be with you, too!", upon which the producer grimaced and muttered "Don't cross the bastard till we've got the next one in the can."

The point is that we were all surprised: in radio, it was an extremely rare event. Most radio presenters are the type who end up fetching their own coffee from the canteen, and everyone else's too. In television nobody is even surprised when a petulant snarl replaces the adorable smile as soon as the lights go off.

But radio's sense of adventure goes far beyond mere convenience, cheapness and congeniality. Radio, being so simple, retains its miraculous quality. In the 1920s, Captain C. A. Lewis, Reith's deputy, wrote in the BBC handbook about symphony concerts carried "along the roadsides, over the hills, through towns, brushed by trees, soaked by rain, swayed by gales"; and rejoiced that "the shepherd on the downs, the lonely crofter in the farthest Hebrides, the labourer in his squalid tenement, the lonely invalid on her monotonous couch, may all in spirit sit side by side with the patrons of the stalls and hear some of the best performances in the world". Ironic, really, that 70 years later, it should be Classic FM which came closest to a real popularisation of classical music.

Those who opened broadcasting in Britain did it with high and chivalric ideals of education and democracy; listeners too poor to buy radios were taught to wind No 16 DCC wire round a hexagonal pickle bottle to make a coil, add a sixpenny crystal and put their single headphone in a jug for amplification.

Whereon they heard the king, or a symphony, or George Bernard Shaw reading *O'Flaherty, VC*. It was magic. It was the greatest thing since Gutenberg. When Captain Lewis walked home late at night, he thought the aerial posts in the back gardens looked "like spears against the sky".

Even after 70 years, of habit, a lifetime of Tony Blackburn and the arrival of a satellite dish on the shepherd's lonely croft, the sense of awe sometimes returns. Perhaps at dawn on a local station on Christmas day when you switch on the pulse tone to wake the transmitter, and alone in a dead building salute a waking city.

Perhaps in a live interview, when someone says something so extraordinary that you are overwhelmed with pleasure to be sharing it with your scattered millions. Perhaps today, with a harmless daydream of commandeering the new wavelength, scattering some good seed on the land, speaking peace unto the nation.

Heigh-ho. A good dream while it lasted. I suppose I had better listen to the Budget phone-in, now. Even if it does make my spear droop a little.

The misery of black gold

Martin Ivens talks to Ken Saro-Wiwa, released from jail after a *Times* campaign

"One of the reasons I am still alive is because of the concern you have expressed", said Ken Saro-Wiwa of *The Times*'s campaign to release one of Nigeria's most famous authors and political prisoners from the dungeons of the military dictatorship.

Saro-Wiwa, whose notes from prison were smuggled out and published earlier this summer by *The Times*, was not exaggerating about his likely fate. The effects of "the septic tank, the stinking bathroom, the cell of the damned of the earth, who shriek and chant by turns next door" as he put it, were not only nauseating but also threatened to take his life. Saro-Wiwa had suffered three heart attacks behind bars before General Babangida's regime relented after a storm of international protest and let him go.

Three months later Saro-Wiwa, 51, has put on weight again. Good humour as well as pounds have been restored to his diminutive five foot frame. He is as at home with the ambassadors, spies and diplomats here at the Travellers Club as he is with his beloved Ogoni people, the 300,000 strong inhabitants of the oil-rich Niger delta whose environment, he says, has been ruined by its commercial exploitation and the military.

Within the elegant confines of the club, Saro-Wiwa admits he has been luckier than some: "Human life does not mean much to those who have benefited from the oil". Since his release 11 towns and eight villages have been destroyed by the Nigerian army. Twenty-thousand people have been dispossessed, their houses destroyed under a scorched earth policy that has led to many deaths.

The Ogoni have a job to survive. They sit on vast oil reserves but reap scant rewards from the estimated $30 billion worth of black gold sucked out of the land. Oil spills have polluted the rivers, oil flares have brought poisonous, cancerous gases in their train. On a broader canvas oil has fuelled the endemic corruption of Nigeria at the federal level. Oil has bankrolled the northern officer class who claim to have saved the country from the corruption of the civilians. Which is where Saro-Wiwa and his considerable talents enter the story.

The Nigerian military has no prima facie reason to fear the power of the pen — but Saro-Wiwa is no ordinary, etiolated intellectual. He has a practical knowledge of the oil business as a former civilian administrator of the oil port of Bonny during the Biafran War. He worked hard to run a grocery business and make money. After ten years he ploughed the profits back into property and set up his own publishing company, Saros International, which brings out his own novels, autobiographies and poetry. Saro-Wiwa's entrepreneurship was still not exhausted. After writing an acclaimed novel about the Biafran war, *Sozaboy: A Novel in Rotten English*, he contributed a weekly column for Nigeria's *Sunday Times* and then branched out into scripting and producing a television serial.

Imagine a soap opera which combines the ingredients of *Minder* and *Only Fools and Horses* and adds political satire for spice. That was *Basi & Co*. It was watched by more than a third of Nigeria's 100 million population. It depicted the life and times of the bedsit con-man of Adetola Street, Basi, and his ne'er do well cronies who are all mad about get-rich-quick schemes involving no honest effort. Nigerians saw their own vices mirrored in the characters and the plots — "the greed for money at every level of society" as Saro-Wiwa puts it.

The Nigerian authorities, however, were less amused when Saro-Wiwa took up political activism on behalf of the Ogoni. His views "trickled down" from the intellectuals to the masses and Babangida eventually struck back.

His fame, his connections (he is a friend of the British novelist William Boyd), his open appeal to the United Nations and his friends in the western press — "to them *The Times* of London really matters" — protected Saro-Wiwa from the worst excesses of the regime, but it was a near-run thing.

Now Saro-Wiwa is committed to recreating the society of a people destroyed by land spoliation and state brutality. Sadly, it leaves no time for fiction. "Just a few miserable essays is all I have recently produced," he chuckles modestly. Saro-Wiwa needs the Ogoni to become as famous as he already is. "I had read of Gandhi and his non-violent struggle but his cause was well known. Nobody ever heard of the Ogoni people. When Gandhi led the fight for independence, the House of Commons would keep an eye on the actions of the Viceroy. When we argued against the destruction of our land against the government in Lagos we were ignored," he says.

On Monday Saro-Wiwa flew back to Lagos to carry on the good fight. "When we are angry in Ogoni — we dance," he laughs. The dictatorship had better watch out. Saro-Wiwa, for all his years, looks as if he can still jive with the best of them.

Saro-Wiwa is dedicated to helping the Ogoni people of Nigeria

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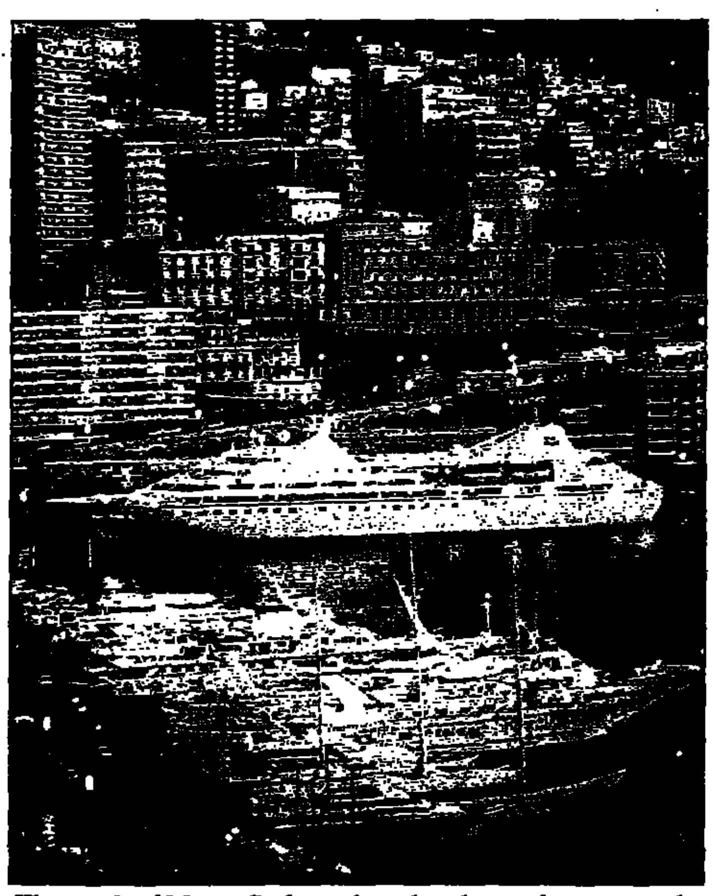


The magic of Monte Carlo, casinos, beaches and smart people

Enjoy a little luxury

The word "luxury" is much abused in the cruise business, with marketeers all too frequently attaching the epithet to virtually anything that can stay afloat. But a few cruise lines, at the top end of the price range, really do deliver "luxury" cruises and for some of them, the word 'luxury' applies to much more than good service, elegant furnishings and haute cuisine: it's about an entire experience.

The Royal Viking Line's "enrichment programme", for example, aims to create a community at sea where passengers are encouraged to enjoy a relaxing holiday while learning about art, music, wildlife, architecture, food and wine, or world affairs.

International experts from Georgetown University's foreign service school are invited on board to inform and entertain passengers at seminars and lectures, and lead field trips to embassies, consulates, universities and other sites of interest. They are usually on hand to provide a detailed commentary as a Royal Viking Line ship reaches harbour. Attentive passengers who don't skip lectures and do some homework are even awarded a *Georgetown University* certificate of merit on some trips.

Pick up tips from the experts, a little bridge from Omar Sharif or a little vintage knowledge from a Rothschild

Those who find such activities a mite too bookish can choose instead to join Jean Michel Cousteau and other members of the Cousteau Society on snorkelling trips to view the wildlife beneath the waves. Or tour chateau vineyards with a member of the Rothschild family on hand to explain the process of wine-making and discuss the best vintages.

They can also — on some cruises — pick up a few tips on bridge from Omar Sharif, talk politics with Edward Heath, explore a country in the company of its former ambassador, or tour the ruins of Mycenae with the biographer of their discoverer, Heinrich Schliemann.

Heady stuff. On the Royal Viking ships, the 37,845 ton, 740 passenger Royal Viking Sun and her "little sister", the 9,975-ton, 212-passenger Royal Viking Queen, the emphasis is very much on the extraordinary. After enjoying haute cuisine and vintage wines in good company, travellers on the Royal Viking Queen can keep on swimming against a water jet in the small pool with the help of a mighty wave-making machine, or try the real thing by swimming, water-skiing and windsurfing off a marina attached to the stern of the ship. The Royal Viking Sun offers a more sedate attraction, a floating croquet green.

Itineraries are equally offbeat, featuring cruises from San Francisco to the Central American ports of Caldera, Costa Rica and Isla San Andres, Colombia, via the more varied charms of Acapulco. Cruises to the "cradle of civilisation" and the Holy Land may include ports like Taormina on Sicily, Simi in Greece, Ayios Nikolaos on Crete, and Antalya in Turkey, as well as more familiar haunts.

Passengers will learn many new things as they go — perhaps even the real meaning of luxury.

MARIA HARDING

TODAY'S FEATURED OPERATOR: ROYAL VIKING LINE

This selection of first class world-wide cruises are operated by the Royal Viking Line, consistently rated by experienced cruise travellers as the "finest in the world". The Royal Viking Sun was recently rated the world's top cruise ship by the *Berlitz Guide to Cruising* and the Royal Viking Queen the best small ship. They offer the chance to travel the world in style.

Accommodation is spacious and tasteful and the highly trained European crew numbers one for every two passengers. The ever-changing gourmet meals are served at a single sitting, at tables graced with sterling silver, crystal and fresh flowers. There are complete spa facilities with state of the art exercise machines, steam rooms, saunas and whirlpools. For your entertainment there are casinos, lounges where you can dance or listen to music and exciting West End style productions. There are specialist talks given by notable lecturers and celebrities.
All prices include flights from and to London where applicable.

HISTORIC PASSAGE EAST: This magical 18-day cruise takes you from San Francisco to New Orleans, a fascinating journey via Mexico and Mayan civilisation. You fly to San Francisco where you stay overnight before boarding the Royal Viking Sun. The cruise takes you to Los Angeles and Acapulco traversing the Panama Canal and continuing to Costa Rica, San Andres in Colombia, Playa del Carmen and Cozumel in Mexico before ending in the great jazz city of New Orleans.
Departs 24 April 1994, from £2774 (down from £3467). Save from £693

CRADLE OF CIVILISATION: This 15-day Mediterranean cruise takes you from Monte Carlo to Istanbul on board the Royal Viking Queen, travelling the sea lanes that carried the seeds of Western civilisation. Your ports of call are Sorrento in Italy, Taormina in Sicily, Olympia, Navplion, Athens, Simi, Rhodes and Santorini in Greece and Bodrum, Kusadasi and Istanbul in Turkey.
Departs 7 May 1994, from £5859 (down from £7323). Save from £1,464

CULINARY EXTRAVAGANZA: This 15-day cruise is a gourmet's delight and takes you from Lisbon to the Tower of London on board the Royal Viking Queen. You call at La Coruna in Spain and romantic Bordeaux, a place passionate in its devotion to wine and food, before continuing to St Malo and Caen. You cruise up the Seine to Paris before returning to London to witness the 100th anniversary celebrations at the Tower of London. A chauffeur driven car will then take you anywhere in London or the Home counties.
Departs 18 June 1994, from £6420 (down from £8205). Save from £1785

VOYAGE TO THE MIDNIGHT SUN: This 14 night cruise on the Royal Viking Sun to the Arctic Circle starts and finishes

ROYAL VIKING LINE

in Copenhagen. You cruise the deep blue waters of majestic Norwegian fjords and see impressive glaciers. You sail via Bear Island towards the North Pole to Longyearben in Spitsbergen (Norway) where at this time of year the sun does not set for long and you will see the spectacular Northern Lights. You visit Hellesylt, Geiranger, Trondheim, Honningsvaag, Aalesund, Bergen and Oslo.
Departs 25 June 1994, from £3015 (down from £3768). Save from £753

BALTIC SUMMER: This fascinating 8-day cruise aboard the Royal Viking Queen takes you from Stockholm to Copenhagen, the domain of the Vikings. You traverse the Gulf of Finland to Helsinki, visit the palaces of Tsarist Russia in St Petersburg and the Estonian capital of Tallinn before continuing to Copenhagen.
Departs 23 July 1994, from £3643 (down from £4553). Save from £910

THE CAPTAIN'S NORTHERN CREST: This 14-day cruise of the Baltic Sea on board the Royal Viking Sun departs from Copenhagen and ends in London. Your ports of call are Helsinki, St Petersburg, Stockholm, Gdansk, Warnemunde and Amsterdam. From Warnemunde you will go inland to Berlin for the day. On arrival at Tilbury docks in London you will be transferred by chauffeur driven car to anywhere in London or the Home Counties.
Departs 6 August 1994, from £3031 (down from £3791)
Save from £760

WINE AND ROMANCE: This 14 night cruise on board the Royal Viking Queen takes you from London to Monte Carlo, via the fine wine growing countries of Europe. You embark at the Tower of London and there is a chauffeur driven transfer to the ship from anywhere in London or the Home Counties. Your cruise takes you to the romantic cities of Paris, Caen, Lisbon and Seville sailing through the Straits of Gibraltar to Valencia and Portofino before finally docking at the fairy-tale city of Monte Carlo.
Departs 13 August 1994, from £6640 (down from £7964)
Save from £1,324

HOLY LAND: This 15-day Mediterranean cruise begins in Athens and takes you via the Holy Land to Malaga. You board the Royal Viking Queen in Athens and your ports of call are Antalya in Turkey, Limassol in Cyprus and Haifa in Israel, from where you may visit Nazareth and the Sea of Galilee. Sailing to Ashdod in Israel, you can visit the biblical towns of Bethlehem and Jerusalem before continuing to Port Said and Alexandria in Egypt, Ayios Nikolaos in Crete and Valetta in Malta.
Departs 5 November 1994, from £5782 (down from £7227)
Save from £1,445

YOUR QUESTIONS ANSWERED

Q: How do I book my holiday?
A: All communication and booking forms must be sent to *The Times* Travel Offer, Cox & Kings, St James Court, 45 Buckingham Gate, London, SW1E 6AF.

Q: How do I pay for my holiday(s)?
A: You must pay the relevant tour operator's deposit at the time of booking with their signed booking form. You must pay the balance due for your holiday(s) 10 weeks prior to departure. Cox & Kings will forward the relevant tour operator's invoice to you within three weeks of receiving your booking form, deposit and tokens.
Your invoice will be for the balance of your holiday cost less the discount and less the deposit paid. If you wish to pay by credit card a surcharge of 1.5 per cent will be levied.

Q: Is it possible to book my holiday(s) before I collect all ten tokens?
A: You must collect all ten tokens and fill in the relevant operator's booking form with the deposit. Only then will your holiday(s) be confirmed.

Q: What happens if the holiday(s) of my choice is sold out?
A: Cox & Kings will inform you as soon as this happens and you will have to select an alternative date or destination.

Q: When can I book the holiday(s)?
A: Bookings can be made when you have your ten tokens and relevant booking form. You must book your holiday(s) by February 20, 1994.

Q: To what does the discount apply?
A: It applies to the specific departure date and tour offered by the operator. Any number of people booking together on one booking form, together with ten tokens attached, can take part in the offer. It excludes any other supplements, including single room supplements, any other holiday, insurance, car hire (except where car hire is part of the specific tour offered by the operator), special excursions, amendments, surcharges, visas or cancellation charges.

Q: What happens if I miss or lose a token?
A: We will be publishing a total of 21 tokens and back-dated copies will be accepted (though photocopies will not be accepted). So you should be able to catch up.

Q: Do I have to take any specific insurance?
A: No, you may arrange your own insurance, but you must ensure that you are fully covered for the holiday booked and forward details of the policy arranged when mailing your booking form.

Q: Are the operators bonded?
A: Yes, all the operators featured in this offer are bonded and have complied with the financial bonding requirements of the Civil Aviation Authority or the Passenger Shipping Association. This means that you will be repatriated/refunded in the unlikely event of the operators insolvency.

هكذا ورد الأصل.

MARTIN BEDALL

James Fenton: being a foreign correspondent gave his lyrics the rhythms of real wars and revolutions; unlike many of his contemporaries he has a great deal to write about

Poet of his generation

James Fenton has just published another volume of poetry but refuses to make it a career. **Margot Norman** talked to him

As a young man reading English, writing poetry, winning Oxford's Newdigate prize, James Fenton took W. H. Auden's advice to aspiring poets to earn their living by some non-literary pursuit. Auden suggested carpentry, which would have been absurd for either of them. Fenton decided to become a clinical psychologist, switched courses accordingly, failed to study enough psychology, philosophy and physiology and got a third. So that was no good.

He thought he had better be a journalist then, a proper reporter trained in the provinces, nothing literary. But Anthony Thwaite offered him a literary job on the *New Statesman*, so he took it. Martin Amis, Julian Barnes and Timothy Mo were working there then, and Richard Crossman was editing.

Fenton lived in the East End and loved it, feeling guilty about earning the vast sum of £1,500 a year and selling *Socialist Worker*, theoretically around Tower Hamlets but actually to his colleagues on the *New Statesman*. That was when he learnt about political correctness, from the wigging he received for writing a favourable review for the po-faced *Socialist Worker* of the film *Carry on up the Jungle*.

Fortunately for us poetry pickers he moved from the literary back end to the political front end of the *Statesman* and thence, having published *Terminal Moraine*, his first collection, to Vietnam in 1973 as a green and, mercifully, formula-free freelance war correspondent. Fruitfully and intermittently, the travelling continued. Fenton has given us a poetry collection per decade.

In 1983, after *The Memory of War and Children in Exile*, Peter Porter called him the most talented poet of his generation and Jonathan Raban remarked that he was alone among his contemporaries in having a great deal to write about. Now with this new collection, *Out of Danger* (Penguin, £7.50) published tomorrow, he is being called simply "the poet of his generation" in a way that suggests significant representative power.

The idea appears not to astonish him as he sits at a bare table in the bare flat he acquired at the beginning of the year off the Strand, with a view of the river. Bare wires and his gesticulating arms cast shadows on the bare plaster in the beam of a Tizio lamp. It's not a design statement, the builders are just slow. He is 44, a big man with large, expressive features in a large oval head, large gestures and a good speaking voice. He would make an excellent don and will surely one day be one when he judges it safe from the point of view of his art.

Fenton has trenchant views on the folly of trying to make poetry a career. Oh, the living death of the writer in residence at some American university!

A foreign body
Dug up in Manila
In a state of advanced decay
Turned out to be that
Of Theophilus Pratt
Who resumes supervision today
In L.A.

As Byron said, poetry is the expression of an excited passion and there is no such thing as a life of passion any more than a continuous earthquake or an eternal fever. For a representative of his age group, Fenton's choice of journalism was apt — apter than, say, being a university librarian like Larkin. It gave him real wars and earthquakes in Saigon and Phnom Penh, existential angst and a fight with young neo-Nazis in Berlin (using a rolled brolly), revolution in the Philippines and street processions that provided him with new rhythms and a smattering of Tagalog, both of which enliven his new volume.

"It is quite astonishing to me how much interesting material is jettisoned by newspaper reporters because they know they will not be able to write it up, *because to do so would imply they had been present at the event they are describing*," he wrote in his introduction to *All the Wrong Places*, his 1988 collection of essays from Vietnam, Cambodia, Korea and the Philippines. "And not only present — alive, conscious, and with a point of view."

> He is pleased to discover the power of making others say 'Yes that's exactly how it was!'

Fenton hasn't wasted the events he witnessed, the emotions he either felt himself or picked up from people in strange lands enduring extreme experiences. He has often transmuted them into lyrics that have, he is pleased to discover, the power of making others say "Yes! That's exactly how it was!" And isn't that what lyric poetry is supposed to do?

It is therefore only partly to deflect questions about his personal life, the how-was-your-childhood, what-about-that-sexually-ambiguous-tone and who's-You-in-that-poem-In-Paris-With-You questions, that he takes time to define his idea of the lyric. "A lyric is about a particular feeling, not a particular person, it's about a moment either in your own life or in the life of somebody else. What you do is try truthfully to represent the moment and that's the thing that will stand out of the lyric, the truth of the moment."

Fenton's father is a cleric and distinguished theologian. The memorial poem for Andrew Wood, a friend of no particular closeness who died of Aids, is "in a way just what my father would do, the sort of thing he'd say at a service for someone who died young". Writing poetry to order is not, however, something the younger Fenton has managed more than twice in his life. "If I manage to write a poem at all, and finish it, then I jolly well publish it."

It is no surprise to hear that the Byron of *Don Juan* is his hero. He achieves that tone, but how he must envy that fluency. A living hero is his mentor John Fuller, with whom he wrote the long, light but very sharp *Partingtime Hall*. Another is the American poet W.D. Snodgrass — "If he's my spiritual father, Auden's my spiritual grandfather". But he would really like to be a popular singer-songwriter like Tom Waites. He says he can't sing, and has to take calcium blockers before poetry readings to stop his heart "running off", so maybe that aspiration should be binned along with clinical psychology. Working on the script of *Les Misérables* for Cameron Mackintosh was instructive but not a success, although the strongly rhythmical song-poems in this latest volume called "Out of the East" have been performed as a pocket musical.

Going to Germany for the *Guardian* in 1979 was also not a success. "I thought I could do this trick of making Germany interesting, but I failed in spades." He laughs. "Screwing up I'm very good at." A familiar journalistic conundrum: Berlin was where he was and the action ought to have been, but the politics were in boring Bonn.

The year in Germany was a fraught period, but he started writing again there. He produced the long poem "A German Requiem" and "began to see there were other people of my age in England who were rather admirable poets." He meant Craig Raine and Christopher Reid, whom he christened the Martian group, after a poem of Raine's. He also discovered and thrilled to German expressionism and early Kandinsky, and made a very good collection of prints.

Fenton takes his journalism seriously, and is grateful that newspapers have been good to as well as for him. He loved his five years as theatre critic for *The Sunday Times*, discovering that his fear of having his creativity drained by becoming a literary fellow was misplaced. (Either that, or he was past the danger.) "I realised how creative the life of the critic was. It toned up the system. Every evening you had other people's writing thrown at you, but not in a genre that you wanted to imitate. It was like having competition of the nicest sort."

He works at a rate of 300 words an hour and worries if it is much more or much less. As lead book reviewer for *The Times* in the mid-eighties, conscious of being "extremely ill-read compared with my peers, nothing like as well-stocked as Anthony Burgess, nor as quick a reader", he did a great deal of preparation. He admits to "huge gaps": *Middlemarch* has been plugged, but not *Anna Karenina*. The most important work, though, the work that brings fame, is the poetry. He'll be going back now to the place he calls home, a house near Oxford surrounded by his latest enthusiasm, a grand garden, in the hope that more of it will arrive.

Does Cruise lack bite?

Author disputes star's stake in $50m film of her vampire book

In the way that the letters pages of *The Times* reflect readers' obsessions, such as the decline of the Church of England or hearing the first cuckoo, an ocean and continent away, readers of the *Los Angeles Times* similarly voice concerns closest to their hearts. For weeks, a battle has raged in the newspaper's columns over the perfidious miscasting of compact, shiny, all-American actor Tom Cruise as a languid, androgynous, 17th-century French vampire.

KATE MUIR

The film *Interview with the Vampire* is adapted from a book by Anne Rice. The first blow against Cruise was struck by the author herself, after she had collected her cheque for the rights. Now Cruise and Rice are taking it in turns to swing the wrecking ball at the $50 million film, much to the distress of our letter-writing cousins.

Rice, the author of four vampire books, one mummy book and two witch books, and therefore rather an expert on evil good looks, said: "I was particularly stunned by the casting of Cruise, who is no more my vampire Lestat than Edward G. Robinson is Rhett Butler."

She was equally sniffy about the casting of blond Brad Pitt as victim and eventual co-vampire. "It's like casting Huck Finn and Tom Sawyer," she snarled, and then twisted the knife: "Cruise is just too mom and apple pie."

Rice's fans wrote to express their sympathies about the desecration of her four-million-selling great work. Rice had favoured Jeremy Irons or Daniel Day-Lewis for the role — a tall European playing a tall, saturnine European. Instead she got 5ft 6in Cruise, a member of the Church of Scientology.

"Are they out of their cotton-pickin' minds?" asked one fan, reflecting the Louisiana setting of the novel. E. M. Beckman of north Hollywood wrote: "There hasn't been such bad casting since *Bonfire of the Vanities*," failing to point out that the author, Tom Wolfe, at least had the decency to make only one comment about the film: "I cashed the cheque".

Meanwhile, another of Rice's 17 million readers, Dave Hutchinson of Mission Viejo, wrote: "If the screenplay remains true to its source in its dealings with the homo-erotic relationship between the two lead vampires, I doubt that anyone could possibly conjure the hopelessly hetero Cruise as a character actor strong enough to overcome his screen persona of boy next door." Fortunately for Cruise, that dilemma has been sidestepped: some homo-erotic scenes have been played down, the rest axed.

Interview with the Vampire is being shot in the French Quarter of New Orleans, a town in which the author owns a number of mansions, including a former orphanage which has four towers and a ballroom. As shooting continues, it has become increasingly clear that Cruise's ego is as large and delicate as that of Rice.

His paranoia reached new heights recently when he demanded that a tunnel be built between his dressing room and the outdoor set. "He wants to avoid curious onlookers," a source on the set reported to a gossip coumn, "and maybe he just wants to avoid Anne Rice."

The paparazzi would not be denied, and photographs show that Cruise, with sunken eyes, a long wig and heavy white make-up, looks like the early Alice Cooper.

At the root of the author-actor battle is overpricing. Cruise was paid a reported £8.5 million (plus a Mercedes) for his last film, *The Firm*, and Rice has just been paid £12 million by Knopf for a package of three more *Vampire Chronicles* books. Naturally, a person earning that sort of money begins to think that what she or he does is high art, rather than pop culture, and behaves accordingly.

One Los Angeles letter writer grasped this. Robert Tilem, of Reseda, made the point: "Are the mediocre scribbings of Anne Rice worth such scrutiny?"

Rice has sold the rights to all her *Vampire Chronicles* and *The Witching Hour* to Geffen films, and will have little say in her future leading men or women. She could have written that into the contract, but such agreements tend to pay less. David Geffen, in an attempt to calm the troubled film, made a remark which must have made Rice wince: "To his credit, Tom wants to play a broad range of characters, just as Jack Nicholson, Paul Newman and Al Pacino did before him."

For Rice, the writing is on the wall. She continues to protest, but quietly. Along with dressing in black, favouring long velvet cloaks, and accessorising with three bull mastiffs, Rice has the eccentric habit of writing words in black marker pen on the white walls of her study. Along with useful terms, such as "pallid", "globules" and "coombs", she has written these words of advice to herself on the subject of filming: "It's out of my hands . . . It's out of my hands."

Undercover negotiations by Britain to end a conflict have failed before

When MI6 talked to our enemies

MI6 officers Richard Stevens, left, and Sigismund Payne Best

TWO months after the outbreak of the second world war, Captain Sigismund Payne Best, an MI6 officer, and Major Richard Stevens, head of the MI6 station in The Hague, were kidnapped at gunpoint in Venlo on the Dutch frontier and whisked into Germany.

Full details of the incident did not emerge until after the war and the British records relating to it were marked "Closed for 100 years", but the basic facts are not in dispute.

Best and Stevens had been conducting peace negotiations with the Germans. They believed that through one of their agents, Dr Franz Fischer, they were in touch with a German opposition group anxious to overthrow Hitler and end the war. After a series of meetings, some sort of agreement on peace terms had emerged and there was talk of another meeting in London to finalise matters. The intriguing question is: was MI6 acting with the authority of the British government?

In the summer of 1939 there was considerable agitation in British ruling circles for a deal with Germany, with or without the overthrow of Hitler. This continued, in a reduced way, after the outbreak of hostilities. MI6 bombarded the foreign secretary, Lord Halifax, with reports of dissension within Germany, and the suggestion that valuable results might be secured if Britain made a direct appeal to the German army "along certain lines".

It then became MI6 policy to encourage dissent within Germany and "see what happens". Best and Stevens told Franz Fischer that MI6 wanted to make contact with opposition groups in Germany to discuss possible peace negotiations. MI6 told Neville Chamberlain, the prime minister, what it was up to, but it would appear that in presenting its account to him, more emphasis was laid on uncovering a military conspiracy against Hitler than on peace negotiations. MI6 appears to have fudged the issue of whether the terms so far discussed included the removal of Hitler. But Best, at the centre of the negotiations, was in no doubt. As far as he knew, he said later, "Adolf Hitler was to remain in power."

The War Cabinet was not informed until November 1 and was not happy with the news. Churchill, for one, wanted all contact with the Germans broken off immediately, and the moment he became prime minister in May 1940 issued a directive banning all peace feelers.

As it was, MI6's move turned out to be a disaster. Fischer was a double agent working for the Gestapo. When Hitler learnt about MI6's overtures, he decided to play along; they might be genuine and provide the basis for a peaceful settlement. But early in November he had second thoughts. His plans for an offensive against France and Britain were well advanced and further talk of peace began to smack of defeatism. The Gestapo was ordered to wind up the operation.

It set up a meeting at a café in Venlo, only a few yards from the German border. Best and Stevens, accompanied by a Dutch intelligence officer, Dirk Klop, had barely arrived when a large German sedan came roaring through the customs barrier carrying several men on the running boards armed with machine guns. Klop opened fire with his revolver and was shot dead.

Best and Stevens were frogmarched across the border at gunpoint, bundled into cars and driven to Düsseldorf where, under Gestapo interrogation, they revealed the MI6 "order of battle" and its organisational structure. They were found in April 1945 in a village in the German Tyrol. Britain decided not to prosecute them but neither was offered further employment.

PHILLIP KNIGHTLEY

Mario and Sonic move to new level

Alan Mitchell on the growing challenge to the two computer games megastars

For Sonic the Hedgehog and the Mario Brothers, this Christmas will be like any other: sensational. Together, Sega and Nintendo, the companies behind the video game characters, are grabbing a rapidly growing slice of the cash spent on children's presents. This year, video game sales will reach £755 million, with more than 60 per cent of it spent in the period immediately before Christmas. This will fall just short of the £1 billion total that is spent on all traditional toys.

But this year will also be something of a watershed. So far, the arch rivals have taken opposite approaches in their marketing. Sega, the former arcade-games manufacturers, in challenging Nintendo's domination of the £10 billion world market, has carved itself a niche as a symbol of youth rebellion.

If parents are offended by its bizarre TV ads, with their barrage of fast-cut horror-film-like images, that is fine — in children's eyes, it only reinforces the brand's street cred. We are not a toy, says Sega's head of marketing, Philip Ley, we are a fashion item — no Sega, no cred — an attitude of youthful rebellion and a sub-language. Sega marketing communications are delivered in code. Part of knowing you are "in" is knowing that others have not got a clue what it is about.

In comparison, Nintendo, the 102-year-old entertainment firm, seems staid with its reassuring concentration on product quality, plus a bit of humour. "You couldn't get two companies with more differences in marketing style," says Mike Hayes, Nintendo's marketing director. "Sega makes a lot of noise. We are about real players playing real games."

Either way, the two companies have together created a marketing phenomenon, with United Kingdom sales growth of 3,000 per cent in the past three years of deep recession. Many games cost between £30 and £40. Sega's Megadrive unit, which plays them, costs closer to £130. This year, Sega expects to sell 1.3 million units.

Mortal Kombat, the game that has mortally offended the media with its graphic depictions of blood and gore, is thriving. So far it has sold 500,000 copies.

Globally, Nintendo's profits of £1.5 billion are bigger than those of Matsushita, the world's largest electronics company.

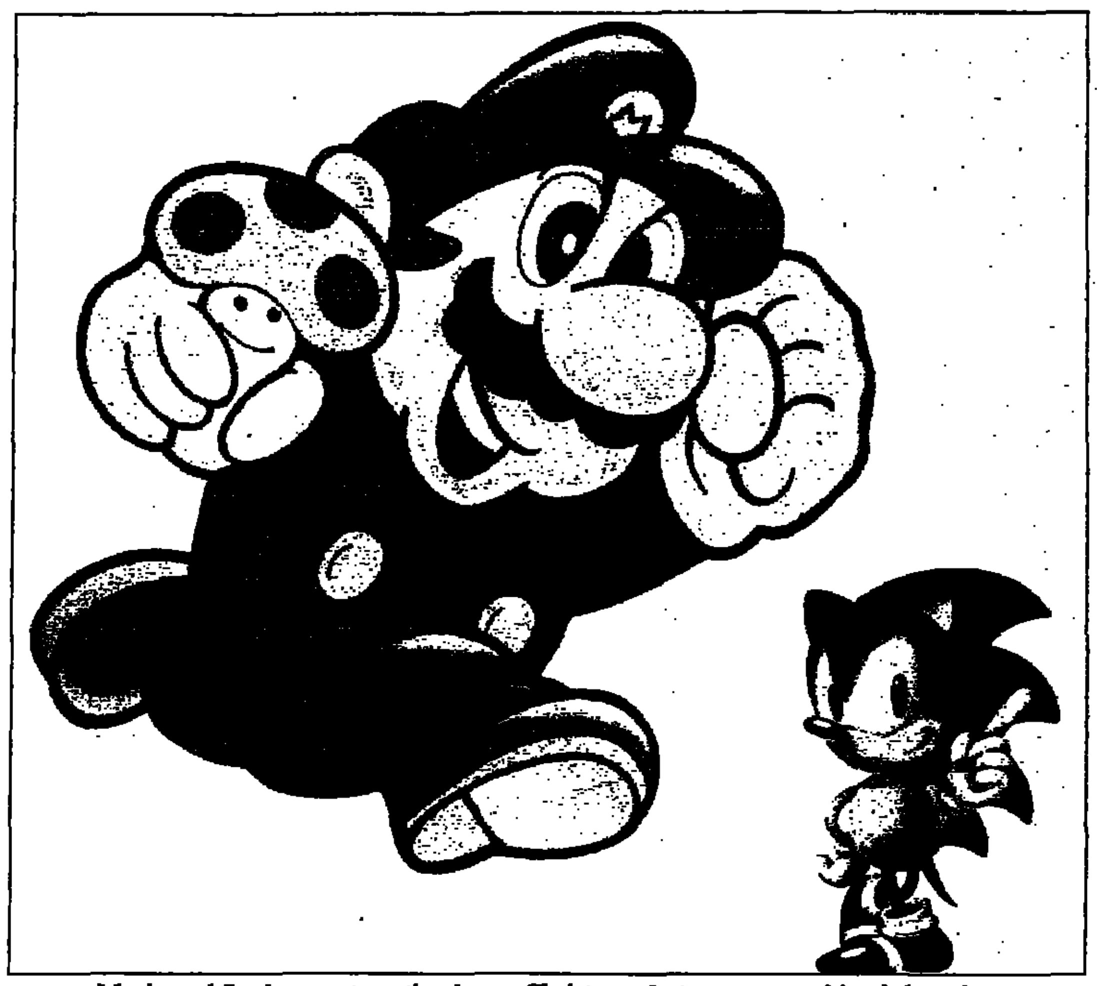
But this time next year, things will be different. Both companies are already facing problems familiar to ordinary marketing mortals. As sales growth slows, product lifecycles shorten, the emphasis shifts from hardware to software and product proliferations put pressure on shelf space.

Consumers are also growing more discerning by the day. "It is", Mr Ley admits, "very difficult to be on the cutting edge, to be new and exciting — continually."

Chances are, therefore, that the hype will peak this year. Advertising spend, which has jumped from £2 million to £24 million in three years, will stabilise, and the chorus of media anxiety about video game-induced epilepsy, addiction and violence may also abate.

But as public attention falls away, the really big marketing battle is only just beginning. Sega is promising to introduce "virtual reality" into our homes next year, just as the electronics giants Sony and Matsushita enter the video game market.

Why are they so interested? On this point, Nintendo and Sega are as one. Five years ago, says Mr Hayes, every entertainment — watching a film, reading a book, listening to music — was passive. But today's under-20s have been reared on a diet of video games and they will grow up expecting interactivity. "This is the embryo of the way entertainment is going," he says. Mr Ley agrees. "These are not toys or games, but a new medium," he says, "a pioneering technology that is capable of rearranging our culture."



Mario and Sonic expect another boom Christmas, but new competition is looming

Coca-Cola heads top ten brands

Clever marketing during recession has created winners on the grocery shelves

COCA-COLA has become the most valuable grocery brand in the country.

Its sales through the nation's grocers — not counting corner shops and other smaller outlets — are worth £237 million, according to the latest list of Britain's biggest brands compiled by Neilsen, the market researchers, and published by *Checkout* magazine.

Clever marketing and the effects of recession in Britain have combined to prompt more changes than usual among the top ten during the year to August. Both the soft drink Coca-Cola and the clothes detergent Ariel have pushed ahead, demoting last year's biggest-selling brand in Britain, Persil, to third place.

At the same time, Walker's crisps and Pampers nappies have shrugged off recession by achieving double-digit sales increases.

Sales of Unilever-owned Persil fell slightly in the year, to £234 million, while Ariel's sales rose nearly 6 per cent to £237 million. Sales of Britain's favourite coffee brand, Nescafé, were up 9 per cent to £194 million, putting it in fourth place ahead of last year's number four, Andrex toilet tissue, which fell to fifth place with sales down 7 per cent to £180 million.

The rest of the top 10 were: Pepsico Walker's crisps, up 14 per cent, to £143 million; Mars-owned Whiskas cat food, down 7.5 per cent to £139 million; Associated British Foods-owned Silver Spoon sugar, down 2 per cent to £137 million; P&G-owned Pampers nappies, up 20 per cent to £135 million, and Unilever-owned Flora margarine, down 2 per cent to £129 million.

P G Tips tea fell out of the top ten listing, making way for the marketing phenomenon Pampers.

Recession and a threat from discount products may have made it a bad year for some leading brands, but not all. Müller, the yoghurt brand, increased its sales by one third, Brooke Bond expanded sales of Oxo through grocers by nearly 28 per cent, Quaker-owned cat food Felix continues to eat into Whiskas with a sales expansion of nearly a quarter and Lyons Cakes boosted revenues by 23 per cent.

The rest of the fastest-growing grocery brands in the year to August were:

P&G Pampers and Fairy XL plus, up 19 per cent; Kraft General Foods-owned Dairylea Cheese, 19 per cent; Mars-owned Dolmio Pasta Sauces, 19 per cent; McCain oven chips, 18 per cent, and RHM-Homepride Cooking Sauces, 17 per cent.

ALAN MITCHELL

MEDIA, SALES & MARKETING

This week's announcement that Carlton Communications is to take over Central in a £758 million deal has focused attention on the regulations governing broadcasting. Below, two experts give their views

Greek tragedy, Whitehall farce

Lady Thatcher started the rot — but the remedy, says **Harold Lind**, is no better

As with all the best Greek tragedies, the drama in the television market exemplified by the Carlton takeover of Central cannot be understood without a knowledge of terrible acts which happened in the past. In this case, the principal terrible act was the Broadcasting Act 1990. The official case for the measure was that making companies bid for franchises would bring the virtues of the market and the entrepreneur to the complacent ITV industry. It would thus be in a stronger position to prosper against ever-increasing national and international competition.

By general consent (including the act's author, Baroness Thatcher) it all went wildly wrong. After the horse trading which accompanied the passage of the act, ITV was fragmented into 14 companies. Most of them are too small to compete internationally and they are also divided into the sheep and goats of those who paid hardly anything for franchises and those who paid too much.

The leading goat is Yorkshire Tyne-Tees, which having bid more than £1 million a week for the joint franchise has not proved able to earn enough advertising revenue to cover the bill. Even worse, its strenuous efforts to draw in revenue have additionally left it with large debts to advertisers.

It was widely expected or leaked that the Broadcasting Act would be amended to deal with both major problem areas. Takeover restrictions would be eased, allowing larger companies to merge into a real competitive force, while also providing a security blanket for the walking wounded.

It all sounded almost too good to be true, which it was. In fact, there were three basic flaws in the proposals from the heritage secretary Peter Brooke when they finally appeared. One was probably due to government incompetence and capable of amendment, the others were more fundamental.

It all sounded too good to be true — which it was

The less serious problem is the limitation that no merged company will be permitted to hold more than two franchises. Since YTTV is already a merger between Yorkshire and Tyne-Tees, this means that the company in deepest economic trouble is the one company in the entire network that is absolutely safe. This would be comic except for the potentially serious consquences. Over the past few years Yorkshire has been probably the most successful ITV company in programme terms, producing a string of hits, which are important in preserving ITV's competitive edge. Leaving YTTV to stew hardly seems the ideal way of promoting future programme success.

But even if a Yorkshire takeover were permitted there remains the deeper problem — why should any other ITV company accept this burden? One plausible answer is that such a move would provide an impregnable "poison pill" defence for any other ITV company which feared following Central into the maw of a bigger predator. But this argument loses plausibility when we remember that all ITV contractors are public companies. Since a poison pill defence would greatly diminish the attraction and value of their shares, it seems difficult to see why shareholders should permit this to happen. If this is so, the impetus for strong, successful companies to merge will remain but the weak may well find themselves left dangling in the breeze.

Finally, there remains the fact that even the merger of the two largest and most successful ITV companies, Carlton and Central, still leaves them, in terms of TV revenue, quite small players on the European scene. The only way that one or even two ITV companies can compete effectively is as part of a very much larger media company. Carlton, like Granada, is said to come into that category but even they are fairly small compared with Europeans like Bertelsmann.

The only UK companies in such a league are the press giants like Reed or Associated Newspapers, which are still specifically banned from owning more than a minority shareholding in an ITV station.

The best that can be said of the latest tinkering is that it has repeated Mrs Thatcher's Greek tragedy with Mr Brooke's Whitehall farce.


The authors of ITV's misfortune — Lady Thatcher's act left companies weak and small, Mr Brooke's proposals are no improvement

'Brooke was right to act: doing nothing was not an option'

Peter Ibbotson welcomes proposals which will enable ITV companies to merge

Last week Carlton welcomed the government's intention to introduce a modest relaxation of the ITV ownership rules as "Good news for ITV, and for its viewers." The response didn't just reflect Carlton's own ambitions that two 'large' licences should be allowed to merge. It also reflects a widespread belief that the government has taken an essential step in helping the ITV system through a necessary but difficult transition.

This week, Carlton and Central announced their intention to undertake a friendly merger, subject to the parliamentary ratification of Peter Brooke's new rules. The merger should start moving ITV from the 15-company map of the old monopoly era towards a structure capable of coping with a future of intense competition.

Given that this prospective marriage has been widely foreseen, some of the reactions have been surprising. There is certainly no flouting of parliament's will in proposing an offer conditional on its consent to the new rules. Surprising, too, are the various remarks by the shadow heritage secretary Mo Mowlam. On the one hand mergers and further deregulation are welcomed in a time of accelerating change. On the other, the Opposition will insist that the government should do nothing for another year.

Peter Brooke was quite right to act now: doing nothing was not an option. Extending the so-called moratorium cannot "stop the clock", as its proponents claim. Despite the seductive description of 'the ban on foreign takeovers', it is doubtful whether the ITC ever had such sweeping and discriminatory power. It cannot necessarily prevent a fit-and-proper European media company from taking over an ITV licence unless it has real doubts about the future of the programming services. The ITC certainly cannot, even now, prevent foreign stakebuilding in anticipation of future bids. The new rules will give existing UK owners the opportunity to achieve a modest rationalisation of the system, and to act quickly before European interests materialise.

Collared: Inspector Morse, Central's most successful series

Now is also the time to bury the red herring that mergers are a threat to regional television. It is absurd to claim that 'local' ownership is the essential guarantee for regional programmes and regional identity. There never has been any rule that Scottish, Welsh, or other regional companies must be owned by local shareholders. Under the proposals for Carlton and Central, both companies will retain their regional management.

Changes of ownership do not mean changes on screen, and they do not mean any loss of regional content, which makes up around 9 per cent of transmissions.

Changes in broadcasting and related media are moving much faster than was expected when the Broadcasting Bill was debated in 1989/90. If it is to thrive, ITV has no choice but to move from the fragmented ownership structure established in 1955, towards one which is better able to compete with new challenges, and better able to sustain its high level of commitment to original UK production of both network and regional programmes. The old map and its multi-duplicated overheads could be maintained when ITV had a monopoly of commercial airtime. Now ITV is truly commercial it must move to a more effective and efficient ownership structure. It must be able to compete effectively for revenue and it must have the confidence to sustain the quality of all its services.

Internationally, a stronger ITV has a better chance of making a mark as a quality British brand. We cannot keep on intoning that our television is the best in the world while failing to understand that the wider world has changed. Unless we have the momentum to compete internationally, we risk becoming a commercially vulnerable backwater. The new rules won't revolutionise ITV's international prospects overnight, but they are a move in the right direction. Likewise, DNH announcement points very clearly to further relaxation in the near future.

If Parliament has the interests of the ITV and its viewers at heart, it will ensure that it can make this first and positive step. In so doing it will strengthen all its activities, from its distinctive regional services, and its popular network programmes, through to its wider international opportunities.

● *The author is Carlton Television's director of corporate affairs*

NEWSBITES

Green screen week

IS THERE no end to the ambitions of Michael Green, the chairman of Carlton Communications? Twenty-four hours after he proposed a takeover of Central Television, Independent Television News, which he also chairs, signed a multi-million pound three-year contract with NBC Super Channel, the American-owned satellite broadcaster.

ITN will produce one and a half hours of news programmes a day from its London headquarters for Super Channel, which broadcasts throughout Europe.

Second chance

FIRST TUESDAY, Yorkshire Television's critically acclaimed documentary series, which was dropped from ITV earlier this year, is to be relaunched on Discovery, the satellite station, next Tuesday.

The channel, which is broadcast from 4pm to midnight to about three million British cable and satellite homes, has awarded Yorkshire a £2 million commission to make nine programmes to be shown in Europe and America over the next year.

Discovery, which is controlled by a group of American cable operators, hopes that the measure will reassure critics of cable and satellite television that the industry is prepared to invest seriously in British productions.

Channel 4 has already expressed an interest in buying some of the documentaries.

Deaf aid ads

THE advertising industry is being urged to include teletext subtitles on all television commercials. The initiative is being led by Independent Media Support, a subtitling company, and is supported by the British Deaf Association, as well as the Incorporated Society of British Advertisers and the Institute of Practitioners in Advertising.

Ron Eagle, of IMS, says: "Deaf people don't listen to the radio for obvious reasons, so many watch television."

The move should help the estimated 7.5 million adults in Britain, who have hearing impairments. Access to subtitling is free on page 888 on the teletext services of ITV, Channel 4, the BBC and some satellite channels. At present, about 15 to 20 per cent of commercials are subtitled.

In a parallel move, BARB, the audience research organisation, is conducting research into the viewing habits of the hard of hearing. The results will be published early next year.

ALEXANDRA FREAN

LONDON PROPERTY

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MORTGAGES

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CITY & WEST END

NORTH OF THE THAMES

NORTH OF THE THAMES

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AUCTIONS

RENTALS

Rachel Kelly on the way large-scale Thames-side developments and new transport infrastructure will change life in the capital

London property lined up for change

An overhaul of the city's railways in the next decade may radically affect house prices

Commuters in London could be seen fingering their *A to Zs* last week, trying to find a way to work without using the Tube. Last Wednesday, more than 450,000 commuters in the capital had their journeys disrupted, with 20,000 Tube users having to be led along tunnels after a failure in both the main power supply and the back-up system affected London Underground services on several lines. With sections of the Central Line still out of service on Monday morning, the desire to travel without relying on the Tube has become overwhelming.

A map published last week by the agents, DTZ Debenham Thorpe, may offer the eventual answer. The map plots the schemes designed to relieve congestion in the capital and to improve accessibility to and from London. If all the schemes go ahead, it could transform where people choose to live — 1.1 million travel into London every morning, 75 per cent of them by rail.

Anyone looking to move home will keep an eye on such schemes. Property values will be affected, positively thanks to transport improvements, but negatively if the work involved casts a blight.

Should you move to Paddington, for example, by the end of 1997 you should, in theory, be able to get to Heathrow in 16 minutes thanks to the Paddington to Heathrow Express Link. House prices in the area, however, have yet to reflect the improved infrastructure.

Yet beware of moving to Stratford in east London. The combination of the building of the Jubilee Line depot and of the Channel tunnel rail link to the north of the area is likely to affect the prices of nearby properties, according to Bill Rogers, of DTZ Debenham Thorpe.

Among the major transport infrastructure schemes likely to affect property prices in and around the capital through to the new century are the following:

☐ **Docklands Light Railway extension:** An extension will run for nearly three miles from Island Gardens on the Isle of Dogs across the Thames to Lewisham, southeast London, thus taking the DLR to all points of the compass.

In 1987, the DLR opened along a 7½-mile route from Tower Gateway to Stratford and to Island Gardens. In 1991 an extension was added to the Bank. In October, work began on a further eastern extension, from Poplar to Beckton.

Work on the Lewisham extension is due to begin next year and will take approximately three years and cost £130 million. Once complete, it will provide a direct link from southeast London through to the Bank, to City airport, and to Stratford and Beckton.

Mr Rogers says the effect on property values will be insignificant. "The greatest impact of these schemes is reserved for areas with attractive residential properties which are isolated.

"You can measure the effect, for example, of the electrification of BR commuter services north to Peterborough. Values shot up, but this was partly because the areas are such nice ones in which to live."

The same cannot be said about Docklands, Mr Rogers says. Those transport links which have already been made have had little impact on prices. "A semi in Docklands is still cheaper than one in Hertfordshire, even though it's so close to the City."

☐ **Paddington to Heathrow Express Link:** A direct rail link between central London and the airport, largely to be paid for by BAA, formerly the British Airports Authority, is linked to the £900 million development of Terminal 5. The line will run to Hayes on 11 miles of existing railway track and then use four miles of new tunnel to Heathrow. Construction is due to be completed by the end of 1997.

More than six million passengers are expected to use the link each year. Trains will run every 15 minutes and take 16 minutes to reach the airport. The link will cost £300 million.

☐ **Crossrail:** Paddington will also be affected by this east-west rail link, which will be the first BR line to be built in London this century. It will run from Royal Oak, next to Paddington, to Bethnal Green, east London, with stations from Paddington to Liverpool Street. The construction will take five years.

Mr Rogers says that the improved infrastructure will spur developers in both Paddington and Hackney, upgrading much run-down Victorian architecture. "These improvements will have most impact to the west of Paddington, where run-down areas will be improved. Prices will rise accordingly." The improvements are also likely to mean price rises for property in Hackney, where a typical four-bedroomed Victorian terraced house can now be bought for about £100,000.

☐ **Channel tunnel rail link:** The 68-mile Union Railway will run from Folkestone to Waterloo, making it possible to travel from London to Paris in 2½ hours. No decision has yet been taken on whether King's Cross or St Pancras will be the site for the second international passenger terminal.

> 'The real impact of the schemes will be on areas with properties that are attractive'

The Channel tunnel rail link will run through Hackney Central. The link is also designed to stimulate regeneration in the "East Thames Corridor". Excluding the new stations that will have to be built, the link will cost around £2.5 billion.

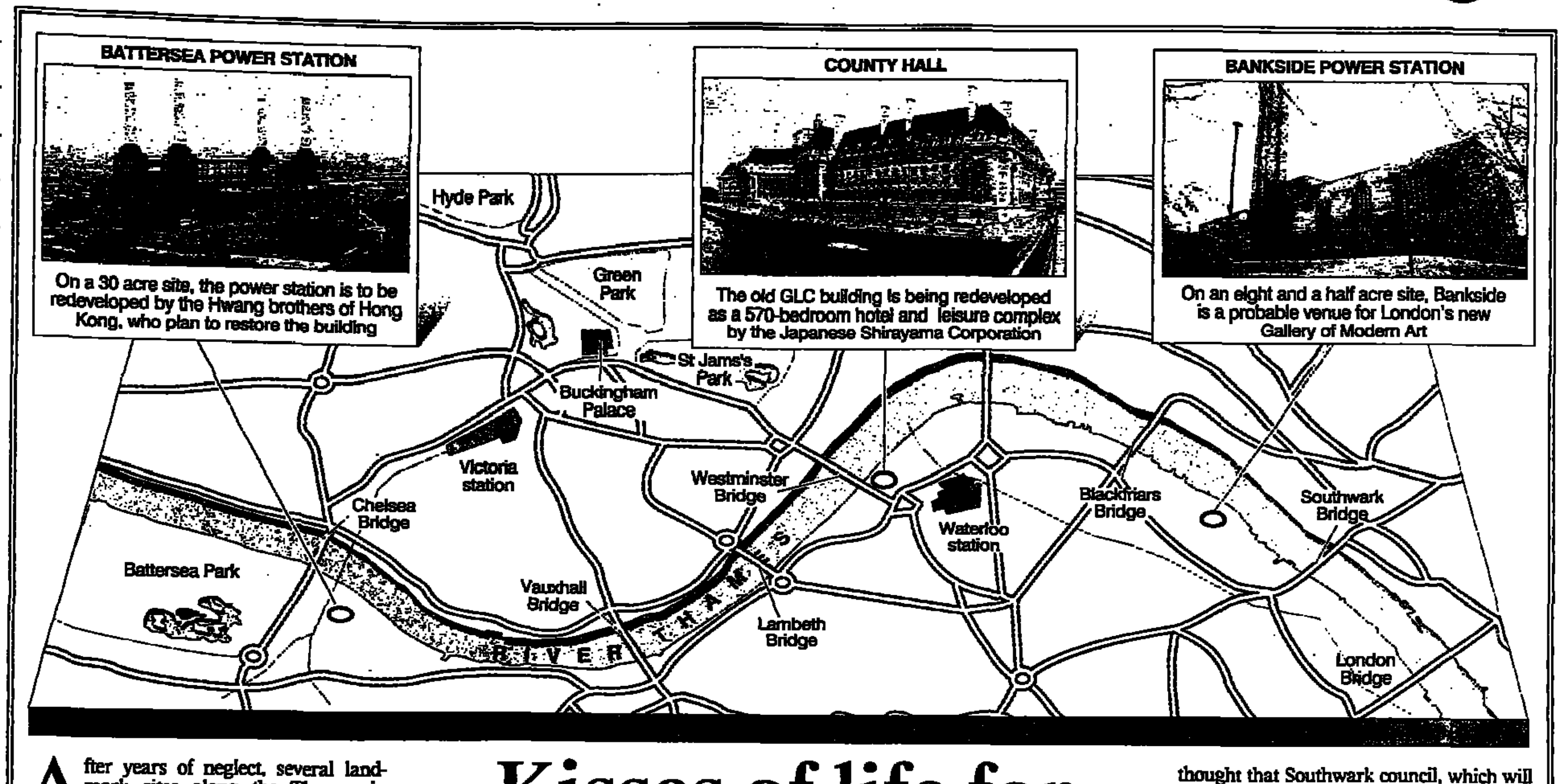
☐ **Chelsea to Hackney line:** A new Tube line running from Wimbledon in the southwest to Leytonstone in the east, via 16 stations, this line could take four years to construct. Because of the government's aim to avoid too much disruption from major construction, the Chelsea-Hackney line is unlikely to be built before Crossrail. It has been estimated to cost £2 billion. London Underground think that work will not begin until at least 1999.

Yet its impact is already being felt in the property market. Parts of Belgravia have been blighted, because of possible disruption during building. DTZ report a couple of aborted sales.

☐ **Jubilee Line extension:** A ten-mile extension will be the biggest addition to the Underground system since the Victoria Line was opened two decades ago. The line will run from Green Park to Stratford, via ten stations.

The section from Canning Town to Stratford will run alongside existing BR tracks. Construction will last 4½ years. The extension's 36 trains per hour will provide a direct link between Docklands and the West End as well as a cross-river link to Waterloo and London Bridge. The European Investment Bank has approved a £98 million loan toward the £1.8 billion required.

☐ **Thameslink:** Opened in 1988, the link made it possible to travel from Brighton to Bedford without the need to change trains. Journeys crossing London from north to south have risen by 300 per cent since opening. BR plans to extend and improve the service, to quadruple capacity and increase services from six to 24 trains per hour, extending the network north. Due to lack of funds, the proposals are at present on hold.



Kisses of life for the riverside

After years of neglect, several landmark sites along the Thames in London are being redeveloped. Plans for Sir Giles Gilbert Scott's heroic Battersea power station in the west and County Hall and Bankside power station further east, will help the river's renaissance as one of London's greatest arteries.

The latest plans for Battersea are for a multi-purpose development including shops, offices, residential and leisure facilities, with work starting in 1995. The Grade II listed power station will remain, with possibly several storeys added to accommodate a massive exhibition centre with a cinema and museum.

Battersea power station has, since February, been effectively owned by Parkview Property, a Hong Kong-based family business run by the Hwang family. As mortgagees, the Hwangs own the £70 million debt on the site, accumulated by the former owner, John Broome, after his plans to build a theme park ran into financial difficulty. The Hwangs hope to obtain full ownership by March 1994.

The building, at present a gutted shell, is not expected to be returned to use before the end of the century. The power station is therefore facing its sixth winter without a roof. Building work stopped four years ago.

Bankside, the oil-fired power station on the south bank of the Thames opposite St Paul's, last emitted smoke from its 325 ft tower in 1981, and was refused listing status three times between 1988 and 1992. Its owners, Nuclear Electric, have a certificate of immunity from listing until 1998. Barring opposition from Southwark council, the building could be pulled down at any time.

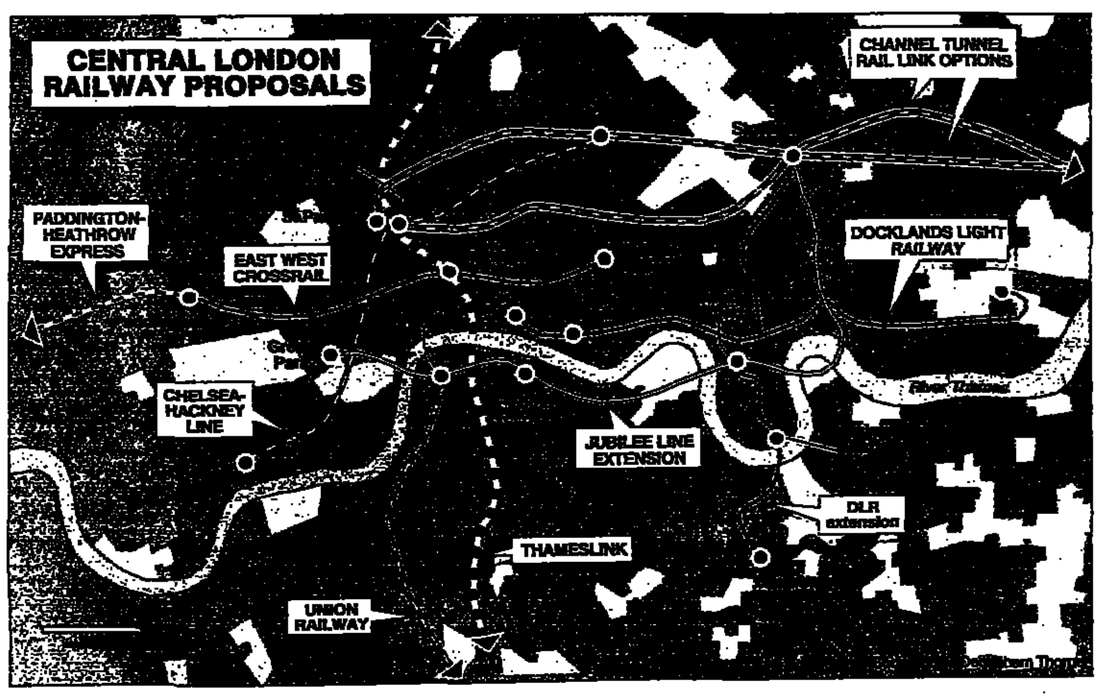
Hope was revived at the beginning of last month, however, when the Tate Gallery announced that the 8.4 acre site was one of three being considered for London's Gallery of Modern Art. A footbridge would connect the gallery to the north side of the river near St Paul's and the new Jubilee Line station at Southwark could transport visitors.

A decision from the Tate is expected next year. But Hillier Parker will sell the property to the highest bidder and it is thought that Southwark council, which will back any sort of development that includes housing and employment, would grant permission to demolish the building. That, English Heritage say, would be a huge waste.

Apart from new roof coverings and some brickwork, the building needs very little renovation and, for a structure of its size and age, is in good condition. Earlier this year Nuclear Electric removed the asbestos and started clearing out the machinery.

Of the three properties, it is County Hall which leads the development race. Work has just begun on transforming the building into a 570-bedroom hotel, which will take up the top five stories of the former home of the Greater London Council.

The hotel is only part of the development plans of the Shirayama Corporation, of Japan, which paid about £60 million to beat off a bid by the London School of Economics this year.



Agents ask buyers to look on the 'funny' side

The Property Misdescriptions Act has caused dismay

THE poetic licence that once allowed estate agents to describe homes that they were trying to sell as "bijou" or "des res" should be restored, according to David Goldsworthy, the president of the National Association of Estate Agents, *Rachel Kelly writes.*

Under the Property Misdescriptions Act, introduced in April, it became a criminal offence for estate agents to make false or misleading statements about property or land which they were offering for sale. The bill introduced fines for agents who misled buyers of up to £5,000, and possible prison sentences.

Six months later, agents have been concerned that the act has made agents paranoid and destroyed any fun in the descriptions of properties up for sale. "I personally have kept in some of the adjectives," Mr Goldsworthy says. "These descriptions weren't ever taken too seriously. They were jokes that people could laugh about in the pub. Life is just more dreary now."

The association is at present in talks with the trade and industry department about possibly reforming the act. John Major, as part of his deregulation initiative to reduce bureaucracy, has singled out the act as involving unnecessary red tape and has asked Michael Heseltine, president of the board of trade, to investigate.

The act has, however, succeeded in sharpening up agents' accuracy in the practical details surrounding a property, Mr Goldsworth said. The act has a measuring code, for example, which had improved the way agents described the measurements of rooms.

"I don't think the act should be repealed altogether, as it has made agents more responsible. But it was always the case that one or two agents were slap-dash, but the majority were not.

"Now all agents are liable to draconian fines. It encourages trading standards officers to act as spies. The act goes further than was originally intended."

Anyone with a grudge against an estate agent could now complain, Mr Goldsworthy said. "It used to be the case that you had to get a solicitor and pay out money, which tended to ensure that it was a legitimate complaint."

THE FIRST estate agent in Britain to be prosecuted under the Property Misdescriptions Act was Ian Sinclair, a chartered surveyor who runs an estate agent's business in Gorleston, Norfolk. He was fined a total of £500 by Great Yarmouth magistrates' court for two offences.

He was found guilty of advertising a house for sale in a local newspaper at a price below the real price; and secondly, of displaying property details in the window of his business that gave an incorrect price for a house. The charges were brought by Norfolk County Council's trading standards department.

Mr Goldsworthy said the case turned on whether Mr Sinclair had made a genuine mistake, or whether he was being deliberately misleading. In Mr Goldsworthy's view, it had been a mistake. "This could have happened to anyone," he said.

Earth-sheltered houses are growing in popularity: virtually maintenance-free, these modern homes have low heating bills, too

Digging deep into the warmth of Mother Earth

There is a small but growing number of people who will not be seeing big rises in their fuel bills next year, regardless of the imposition of VAT. For occupiers of earth-sheltered homes, low-cost heating is just one of the benefits of living underground.

There are a number of underground commercial buildings in England, including the Sainsbury Wing at East Anglia University and the Readymix Concrete headquarters in Thorpe Park, Surrey, but the idea of actually living beneath the surface is starting to catch on.

Usually built into hillsides, from the front, earth-sheltered homes look a bit like bungalows. From the air, however, you might never know they were there. Being built into the ground with a lawn for a roof helps them to blend into the landscape. They are built with reinforced concrete and, not exposed to the elements, require little maintenance.

The surrounding earth of the homes acts like a storage heater, keeping the heat in during the winter and absorbing the warmth in the summer. It also insulates the home against noise and damp. Because the windows on top of the homes face the sun, lack of daylight is not a problem; the windows use a smaller area of glass than is used conventionally.

John Woolnough, a chartered civil engineer, has designed an earth-sheltered home with a spiral staircase ascending into a greenhouse for an eighth of an acre of land he owns at Newton Ferrers. It will be the first such home in Devon, but with building plots becoming scarce, Mr Woolnough believes that his home may not be the last.

"I strongly believe in the merits of earth-sheltered homes, they offer tremendous opportunities for inner city development," he says. "In 15 years' time, I think that we are going to see a lot more of them around. Just as barn conversions were the thing of the 1970s, earth-sheltered homes will become the thing of the 1990s."

Peter Carpenter, head of the Earth Sheltering Association (ESA), says: "This is not just a fad to be thrown away. It's a long-term development with huge possibilities. Underground homes are the only way of maximising energy efficiency."

Mr Carpenter has seen the membership of the association rise from 35 to more than 300 in the three years since he became chairman. He says the aim of the society is to cease to exist. "If we could get recognition from the environment department, plots would be cheaper and so the price of houses could come down," he says.

But at present, it is no easier to get planning permission for a home underground than it is for one on the surface. "Planners are interested in where you build, not what you build," Mr Carpenter says.

The association's first conference held in Coventry last September was attended by all members plus various speakers from China. "The Chinese are very good at building earth-sheltered homes", says Mr Carpenter, "because of pressure on space." In America, where there are not the planning obstacles that exist here, up to 10,000 have been built since the 1970s oil crisis sent everyone searching for fuel-saving devices. This is a priority for Russia's re-developers, too, where building underground is just beginning.

Building a home underground is no more difficult than the construction of an average brick house. "It's a DIY job," says Mr Carpenter. "Certain techniques have to be learnt, but there are no real difficulties."

A number of the earth-sheltered homes in England have been built and designed by their occupants in areas such as the Peak District, in Gloucestershire, in Buckinghamshire, in Wales and the Cotswolds.

Stuart Bexon has been living in his underground home at Westonbirt, near Tetbury, Gloucestershire, for more than five years. When monitored by Bath University, it was estimated that the Bexons save 75 per cent of domestic energy compared with conventional homes. "I'm probably the only person who didn't care at what rate the Chancellor put VAT on fuel, because we spend so little on heating," Mr Bexon says. "Our home is so comfortable, even on the coldest days: we have no condensation, no draughts, no hot spots."

Mr Carpenter says: "Some people might just like the idea of being in the womb of mother nature," but there could be more practical motives. "Wait until the next oil crisis, then everyone will want one."

It is estimated that an average four-bedroom earth-sheltered home would sell for £180,000, but this could vary according to the size of the property and whether enthusiasts bid up the price.

JENNAI COX

'Like an inside-out pool'

BUILDING an earth-sheltered home is straightforward, says John Woolnough, who has designed such a home in Newton Ferrers, Devon. "It's like an inside-out swimming pool, designed to keep water out."

Earth-sheltered homes are best built on a slope. The hillside is excavated, with the topsoil stripped away. Waterproofing is important for the bottom of the house. A six-inch foundation of reinforced concrete is laid with damp-proof membrane above or below the slab.

The walls are built of 250mm hollow concrete blocks and reinforcing bars are threaded through the walls and floor before the hollow blocks are filled with concrete. Damp proofing can be sprayed on to the back of the concrete walls. Finally, a PVC insulating layer is placed behind the walls.

The roof is also built with reinforced concrete covered with damp proofing and gravel, which acts as a perforated drain. A PVC layer is placed on top of the gravel and covered with top soil for grassing.

The inside of an earth-sheltered home is like any other, except for extra ventilation. Plumbing or wiring must be done early, as lavatories or lighting cannot be fitted later. "Foresight is the key when building a home underground," says Mr Woolnough.

Stuart Bexon at his underground home during construction. Five years later, he still warms to it

CREME DE LA CREME

Chief Executive's PA

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A CHANCE IN A MILLION!
Be in at the beginning of this exciting and unique opp. to join as a senior PA to the Chairman of what will quickly become a household name. You will need to be highly organised, enjoy telephone work, pro-active and have exc. sec skills, no s/h. Age 28-40. Imm. start. £16,000.
Anderson Hoare Associates (Rec Cons) 071-824 8821.

MERIDIAN
SENIOR SECRETARY £17,500 +full bank bens
A young director of a major int'l bank needs a very well organised secretary with lots of initiative to get involved in marketing and client presentations. etc. Call Emily Aldrich.
Rec Cons
071 255 1555

JOHN D WOOD & CO.
SECRETARY REQUIRED
For Wandsworth office of busy estate agent. Accurate typing, word processing experience (Wordperfect skills preferable), confident telephone manner, calm disposition and sense of humour essential. Good salary for right applicant. To start January 1994.
Please send typed CV and handwritten letter to:
Michael Conyn, John D Wood & Co., 324 Trinity Road, London SW18 3RG

BANKING & LEGAL LA CREME

JUNIOR LEGAL SECRETARY
Busy Knightsbridge Solicitors. Legal exp preferred. Must be well presented and spoken. £10,000pa.
Please send C.V to Ms Dawn Morris, Hylton-Potts, 7 Cheval Place, Knightsbridge, London, SW7 1EW. No Agencies

BANKING £17,000 + MS + OT - Small Finance house near Bank are looking for a PA for two senior directors. Total involvement will be given in return for a calm self-motivated approach. Age 25+. gd typing and telephone manner. Previous city experience useful. Jigsaw Recruitment 071-378 7779.

NON-SECRETARIAL

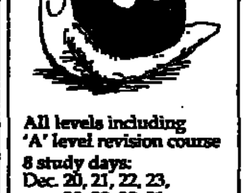
ILLUSTRATOR
Versatile, reasonable illustrator req'd by author of book on psychology for 200 good humoured line illustrations. Subtlety of facial expression essential. CV, photocopy of examples and SAE for returns please. Norell, 41 Jellicoe House, Osnaburgh Street, London NW1 3AY.

BUSINESS Administrator. £15,000 + Exc bens. Exc pres. admin + analytical exp ess. Age 22-27. UK travel + client entertainment. Bus. Studies/Science qualif. an adv. Amanda 071-287 3664. Next Employment.

FASHION c12K Assistant to Editor of Magazine Superb opp. for young (20-26yrs) person to assist on fashion shoots, deal with press & PR etc. Essential qualities: responsible, energy, confidence, meticulous by nature & the ability to cope under pressure: Norma Skemp Rec 071 222 5091

RECRUITMENT Consultant, 24-40's with 2 yrs+ current experience as a recruitment consultant needed for our city office. Specialising in top level secretaries, we look for enthusiasm, style and 'A' levels and offer a generous salary package in return. Call Lyn Cecil of Secretaries Plus on 071 439 4344.

FRENCH FOR CHRISTMAS
SPECIAL CRASH COURSE STARTS DEC 20



All levels including 'A' level revision course
8 study days: Dec. 20, 21, 22, 23, 28, 29, 30, 31
7.5 hours daily: 9.00-13.00, 14.00-17.30
60 hours for £295.
Alliance Française de Londres Dept TMX, 1 Dorset Square London NW1 6PU.
071-723 6439
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Sponsored by the French Government

COLLEGE TO CAREER

A DREAM JOB IN TRAVEL!
Enthusiastic, unflappable secretary/receptionist sought by friendly Co. in Chelsea. A real one-off job! Some experience required and exc. speech and presentation. Imm. start. 50 wpm + Audio. Sal £11,500.
Phone Anderson Hoare Associates (Rec Cons) 071-824 8821

W1 - Japanese Finance Company require secretary to work for M.D. and Treasury Manager. Varied duties include telephone work, diary management, organising travel, setting up meetings and general correspondence. Suit numerate college leaver with confident down to earth manner. 45+wpm/W'Perf 5.1. Age 18-24. Salary £10,000 + exc bens. Please call Charlotte Copeman on 071-437 6032. Hobstones Rec Cons.

RECRUITMENT CONSULTANTS

RECRUITMENT CONSULTANT
We are looking for a lively, well educated, self-motivated person with W.P. experience to work in our busy Nanny Agency on South Kensington. Applicants should be aged between 22-35 and be available to commence in January 1994.
Please send your CV with a handwritten letter to Occasional & Permanent Nannies, 2 Cromwell Place, London SW7 2JE

ADMINISTRATION

PERSONNEL ADMINISTRATOR
£16,500 - Music TV Group
Urgently seek organised co-ordinator for Recruitment admin, Database update, Agency liaison, Temps, Time Management & much more. Applemac/Windows 45 wpm, Mid 20's.
Call Albany Appointments 071-493 8611.

FIRST CREME

ADVERTISING Agency req. a bright young, well- presented /spoken Receptionist £10,000. Typing an asset. Call Joanna HSR Rec Cons. 071 323 5525.

JUNIOR Sec in Recruitment. £12,000 Req. for WC2 Co. Ideal for first jobber with 50wpm typing. Call Debbie Turitt. Blue Arrow Agy Ref: 071-702-1591.

ON BEHALF OF AMANDA WAKELEY & SIMON PROPERTY (EUROPE) LTD
Secretary/Administrative Assistant
£12K + Neg London SW3
Business combining couture fashion and International Property Development
Seek motivated individual to join their administrative team. Neatness, accuracy and empathy for computing essential. Skills:- Wordperfect for Windows, Lotus 123 for Windows.
STRICTLY NO AGENCIES
CV'S (+ PHOTO TO:-
LONDON FASHION ADVISORY LTD
THE PLAZA, 535 KINGS ROAD, LONDON SW10 0SZ

RECEPTION SELECTION

IMMEDIATE START - SW3. Wonderful opp. to join exciting entertainments co as front line receptionist/telephonist. If you have superb presentation, excellent speaking voice and cope well under pressure then this is the job for you. Keyboard skills useful. Age 22-30. £14,000 plus generous bonus. Please telephone Maggie 071-434 4512. Crone Corkill Recruitment Consultants.

PROPERTY £14,000. Prestigious W1 company seeks stylish receptionist for busy and unusually involved role. Would suit confident, warm and well spoken person. Age mid 30s max. Please call 071 637 3212 Summers By Two Rec Cons.

RECEPTIONISTS - We need experienced people especially with 'Monarch', typing is also useful, for temporary assignments including long term contracts. Permanent positions also available for experienced people with good communication skills, who are well presented with bright, friendly personalities. Call The Recruitment Alliance 071-287 8090 (Agy).

RECEPTIONISTS x3 £11K+bens hrs 7.30-1.30pm & 1-7pm shift in Docklands age 25-35 2yrs+rec exp essen 071 287 0870 Miss Reception Rec Cons

RECEPTIONIST £14,000+ To work in large city co. Superb benefits and offices. Age 20-35. Call Status on 071 836 0041.

REC/SEC for a role with a difference in City. Must have s/board exp, typing and be willing to undertake a variety of tasks. £14,000. Call 071 439 7001. SEC PLUS - rec cons.

TEL/Recep/Typist. 20-25, bright, friendly, articulate, flexible: knowledge of WP 5.1. for busy Chelsea property company. £11,500+ bens. Call Ruth: 071-352 8111 or fax: 071-351 1608. No agencies.

MULTILINGUAL OPPORTUNITIES

MITCHAM: Young sec with fluent German and good skills (incl Engl Shorthand). Multilingual Services rec cons 071 836 3794

SCANDANAVIAN m/t sec with excellent Eng & good presentation required by motivated, friendly organisation with strong European links. In this varied, busy position, you will provide sec/admin support to a team of consultants, acting as main point of contact & organising diaries, travel etc. Min TT50wpm. Word 5 on Mac desirable but not ess. Sal c£15k + discr bonus. Tel SB1 Rec Cons 071 584 6446

SCANDANAVIAN m/t sec with excellent Eng & good presentation required by motivated, friendly organisation with strong European links. In this varied, busy position, you will provide sec/admin support to a team of consultants, acting as main point of contact & organising diaries, travel etc. Min TT50wpm. Word 5 on Mac desirable but not ess. Sal c£15k + discr bonus. Tel SB1 Rec Cons 071 584 6446

SURREY Linguists: Trilingual PA/Secretary (German/Dutch): Export Correspondent (French or Czech/German): Marketing Secretary (French): Secretary with East European languages incl. Russian. Details from: Multilingual Services rec cons 071 836 3794

BILINGUAL FRENCH Sec/Pa to Exec Dir of Intl Co. Eng SH ess. Top sec role, lots of intl client contact & lang. use, must be diplomatic, discrete & super efficient. C.18-24K. Telephone Language Recruitment Services: 071 287 0424

BILINGUAL trainee recruitment consultant req for busy, expanding intl agy. Must be sales orientated, self motivated/effective communicator. Min 1 Euro lang ess. £12K one Lang Matters Agy 071 930 1811

BILINGUAL ITALIAN Sec, Eng M/T std for young & dynamic team in Int Co. High lang. use & client contact. To £18K Language Recruitment Services: 071 287 0424

BILINGUAL Graduate Sec. Intl fashion co. Solid sec skills inc SH ess. 6 mths exp. £12,500. The Language Specialists. Merrow Agy 071 499 3939.

FRENCH bil sec to intl W End co. Eng MT + SH ess. Solid org/admin skills ess. £14,000 + bens. The Language Specialists. Merrow Agy 071 499 3939.

FRENCH biling PA sec for Dir of intl bank. Prev sec exp at snr level, SH ess. Exc 1-1 role. £17K+excl bens. 28+ Language Matters Agy 071 930 1811.

ITALIAN/Portuguese: Varied and interesting role for trilingual PA/Sec/Admin with intl. firm outside London. Good prospects. Multilingual Services rec cons 071 836 3794

ITALIAN/Portuguese bil sec for intl. co. Excl sec/admin skills ess for this involved role. 15K. The Language Specialists. Merrow Agy 071 499 3939.

MARKETING PA for young, up-market Property Co. Mid 20's. £16,500 + bens. Merrow Emp Agy 071 499 3939.

GERMAN & DUTCH
Exec Secretary to work on a one to one basis to the MD. High lang content. Surrey based. £21,000 + bens.
THE LANGUAGE SPECIALISTS
Merrow Emp Agy
TEL: 071 499 3939
FAX: 071 499 2858

TO £20K TAX FREE! FLUENT FRENCH INT TRADE
Int Trade Organisation (Government funded) are seeking a senior level PA/Sec to assist their Executive Director. The ideal candidate will have top level experience, preferably within the public sector or similar. Fluent French with English to m/t standard ess. Skills: 80/50 wpm. Age 30+.
The Language Business
Tel: 071-379 3189
(Rec Cons)

GERMAN-BRITISH CHAMBER OF INDUSTRY & COMMERCE
seeks a
Commercial Information Officer/Receptionist
involving half-day work as a commercial information officer and half a day as a switchboard operator/receptionist. The ideal applicant should be bilingual, English/German, have an excellent background knowledge of Germany and the UK, and be able to type. Smart appearance essential. The position offers an attractive salary.
Applications in writing to (ref. B/SM):
German-British Chamber of Industry & Commerce, 16 Buckingham Gate, London SW1E 6LB

PART TIME VACANCIES

AD Agency in W1 req. sec. Hours 10.00 -3.00 flexible 5 days a week. £9,000. Call Lisa HSR Rec Cons. 071 323 5525.

£8,000 10am-2pm or £9,500 10am-2.30pm Mon-Fri. Receptionist/Bookkeeper (basic)/Office Manager. Professional, energetic person required for fun & varied role nr Oxford St. Excellent presentation & telephone manner essential. good admin skills also required. start beginning. Jan. Call Caroline Wharton on 081-878 0594 AWD Rec Cons.

HYDE PK CORNER Small medical charity req shorthand typist, WP5.1, for seven plus hours per week. Tel: 071-235 9686

PART-TIME Secretary/PA required 4/5 mornings per week. City office of charitable trust. Adjacent London Bridge/Monument. Hours 10-2pm approx. Knowledge of Wordperfect 5.1 required. Salary in the order £6,000-£8,000. Please apply in confidence with CV and hand written letter to: Philip Jones (Ref SAH) Gouldens 11 Eastcheap London EC3M 1BN.

PART TIME CAREERS LTD
Are you looking for permanent Creme de la Creme - but not full time?
We are London's leading specialist agency and offer a premium service established over 20 years. Matching calibre clients to quality part timers we provide chartered accountants, book-keepers, SH/audio secretaries, receptionists and all office support staff. Try us!
10 GOLDEN SQUARE, LONDON W1. Tel:071 437 3103.

FIRST TIME VACANCIES

SUPER SECRETARIES

BUSY Fulham Letting Agent require accurate, numerate computer literate secretary for full time position starting 4 January 94. Sal £13k. Telephone Miss Oliver 071 371 7749.

CROYDON - Graduate/Secretary in the Managing Director ... £17,000 ...

MARKETING - Computer literate Secretary with extra strong organisational skills needed for involved role within Marketing Department of successful American Company. 50% is secretarial support, the remainder of the position involves conference and seminar organisation and attendance. Some shorthand an advantage. Age: mid 20's. Salary: £16,000. Please call Caroline Allum on 071-734 8484 (Pan European Recruitment).

MATERNITY Cover £16,000 pro rata. Organised team player needed for disorganised but easygoing partner of international W1 based property company. Jan. 94 start. 60 wpm. audio & WP. Please call 071 637 3212 Summers By Two Recruitment Consultants.

SENIOR Sec - £18,000 + fantastic benefits in West End for Blue Chip Co at most senior level. Age 40+. skills 90/60 min. 5.1 & perfect presentation. Call 071-287 2044. Middleton Jeffers Rec Ltd.

WEST END Gallery requires bright responsible rec/typ. 20-40 yrs. 10-6pm 071 262 4906

WINDOWS Wizard. £17K + Bank Bens. Sec support on trading floor in Int'l Co. Produce presentations, slides + general Sec duties. 60wpm & W4W/Excel exp. ess. Peter Next Agency 071-287 3664

TEMPTING TIMES

XMAS TEMPS
Outstanding Bookings:
Applemac - Microsoft Word/Excel/MacDraw
Advanced WordPerfect 5.1
Uniplex. Word for Windows
All above Audio/Copy, min. 60wpm typing.
Telephonists/Receptionists - Monarch, Plessey. Norton exp.
Val Wade Recruitment
071-437-3793

TOP RATES WP OPS/SECS
* MS Word for Windows
* Wordperfect for Windows
* Wordperfect 5.1
* Telephonists
+ LEGAL SECS (Long Term)
Tel: 071-486 7921 days
081-954 9432 eves
OPUS Rec cons

NANNIES

NANNY REQUIRED
Early 1994, in New York (visa can be arranged) to help with new first baby. Interviews London mid-January.
Please write Hards, 29 West 87 Street, Apartment A, New York, NY 10024, USA
(Telephone 0101 212 873 2345)

LEGAL & PUBLIC NOTICES 071-782 7344

LEGAL NOTICES

C & G Wheldon Limited
NOTICE IS HEREBY GIVEN pursuant to Section 98 of the Insolvency Act 1986 ...
Dated 19th November 1993
Jamie Taylor, Liquidator.

FAWLIN GROUP LIMITED
(Creditors Voluntary Winding Up)
The Insolvency Rules 1986 ...
J R Hill
Joint Administrative Receiver

Shoreline Developments Limited
(In Administrative Receivership)
NOTICE IS HEREBY GIVEN ...
Dated this 24th November 1993
G.H. Whittome, Liquidator.

THE INSOLVENCY ACT 1986
Mosta Building Company (South East) Limited
NOTICE IS HEREBY GIVEN ...
Dated the 19th November 1993
Gary Mitchell Isaacs, Chairman

REX CENTRE LIMITED
THE INSOLVENCY ACT 1986
NOTICE IS HEREBY GIVEN pursuant to Rule 4.106 of the Insolvency Rules 1986 on 25th November 1993 I Lee Antony ...
Dated this 26th day of November 1993
N J Hamilton-Smith, Liquidator.

Motorelectronic Ltd T/A Advanced Lighting Industries
(In Administrative Receivership)
NOTICE IS HEREBY GIVEN, in pursuance of Section 48 of the Insolvency Act 1986, that a meeting of the creditors of the above-named company will be held at 1 Surrey Street, London WC2R 2NT on Tuesday 14 December 1993 at 10.30 am for the purpose of having an account laid before them showing the events leading up to the appointment of the Joint Administrative Receivers, the manner in which the administrative receivership has been conducted and the property of the company disposed of, and of hearing any explanation that may be given by the Joint Administrative Receivers. A copy of the report is available, free of charge, on written request to the Joint Administrative Receivers at: Arthur Andersen PO Box 55 1 Surrey Street London WC2R 2NT.
Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting. A person is entitled to vote at the meeting only if he has given to the Receivers, not later than 12.00 pm on the business day before the above day fixed for the meeting, details in writing of the debt that he claims to be due to him from the company, and this claim has been duly admitted by the Receivers. A creditor entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and vote instead of him.
DATED this 26th day of November 1993.
M Fishman and J A Talbot
Joint Administrative Receivers

RENCO LIMITED
Registered number: 2366229. Nature of business: Drainage. Trade classification: 27. Date of appointment of administrative receivers: 26 November 1993. Name of person appointing the administrative receivers: National Westminster Bank Plc. Joint Administrative Receivers: David Alan Rolph and Richard Hobart Moore (office holder nos: 5930 and 5810) of Moore Stephens St. Paul's House, Warwick Lane, London EC4P 4BN.

CHARMERS LIMITED
(In Administrative Receivership)
Registered Number: 2224018. Nature of business: Public House. Trade Classification: 48. Date of appointment of Administrative Receivers: 18th November, 1993. Name of person appointing the Administrative Receivers: Allied Lyons Retailing Ltd. Joint Administrative Receivers: Colin George Wiseman & Peter Anthony Lawrence (office holder nos: 6712 & 6829) of Booth White, 6 Raleigh House, Admirals Way, Waterside, London, E14 9SN.

This notice is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the London Stock Exchange"). It does not constitute an offer or invitation to any person to subscribe for or purchase any shares in West Trust PLC.

Application has been made to the London Stock Exchange for admission to the Official List ("Listing") of all of the issued share capital of West Trust PLC as enlarged by the acquisition of Drenning Limited ("the Acquisition") and the related rights offer ("the Rights Offer"). The Acquisition and the Rights Offer are inter-conditional and both are also conditional upon the approval of shareholders and the Listing of the New Ordinary Shares. Dealings in the New Ordinary Shares are expected to commence (nil paid in the case of the Rights Offer Shares) on 20th December, 1993.

WEST TRUST PLC

(Incorporated in England registered no. 94632)

Introduction To The Official List

Proposed Acquisition of Drenning Limited
Proposed Sale of Ken Moore Limited

and

Proposed Rights Offer of 14,796,471 New Ordinary Shares of 25p each at 32p per share

sponsored by
Bell Lawrie White & Co.

Share capital following the Rights Offer and Acquisition

Authorised		*Issued and fully paid*
£14,113,000	in Ordinary Shares of 25p each	£10,584,470.25

Listing particulars relating to West Trust PLC are available during normal office hours on any weekday (Saturdays and public holidays excepted) up to and including 15th December, 1993 from:

Bell Lawrie White & Co.
7 Drumsheugh Gardens
Edinburgh EH3 7QH

West Trust PLC
18/19 Southampton Place
London WC1A 2AJ

Listing particulars will also be available, for collection only, from the Company Announcements Office, London Stock Exchange, London Stock Exchange Tower, Capel Court Entrance, off Bartholomew Lane, London EC2N 1HP up to and including 3rd December, 1993.

1st December, 1993

PUBLIC NOTICES

CHARITY COMMISSION
Charity - Leverhulme Trade Charities Trust
The Charity Commissioners have made a Scheme for this charity. A copy can be seen for the next month at the offices of the Leverhulme Trust, Lintas House, New Fetter Lane, London EC4 or a copy can be obtained by sending a stamped addressed envelope to St. Alban's House 57-60 Haymarket, London SW1Y 4QX, quoting reference number DGY-288404-A/1-LAGILDN).

TO ADVERTISE
CALL: 071 481 9994 (Trade)

LA CRÈME DE LA CRÈME

FAX:
071 782 7828

INTERNATIONAL MARKETING
£16,500

A unique opportunity to assist the Marketing Manager of this International Co. This position would ideally suit a bright competent secretary who enjoys team work and liaising with Clients. You will be using your creative abilities to produce documents for presentations and will be called upon to utilise your admin and secretarial skills. Exp of Apple Mac preferred. 65 wpm typing.

Call 071-486 6951 West End or 071-638 9205 City.

Zarak Hay Partnership

APPLEMAC SEC £16,500 + PAID O/TIME

Prestigious W1 International Consultancy seek AppleMac Sec/ Admin, extensive client liaison, travel arrgts. Working to deadlines. Applemac - Word & MacDraw, graphics useful. Min. 55wpm typing. 'A' level. Age 23-33.

Val Wade Recruitment 071-437-3793

New Year - New Career
Plan Ahead For 1994

Do you plan to look for an exciting new job? Do you seek a role which capitalises on your skills and compliments your personality? We are committed to helping professional secretaries develop their chosen career paths. We forecast an avalanche of jobs in January 1994, so don't miss out, register with one of London's top consultancies and reap the rewards.

The industries we assist include:-

* Blue Chip Plc's
* Banking & Finance
* Publishing, Art & Design
* Advertising, P.R. & Property
* Management Consultants & Marketing

We are keen to hear from:-

* Executive PA's
* Senior Secretaries
* Team Secretaries
* College Leavers
* Receptionists

Please call for an appointment/advice or fax your details in confidence.

Tel: 071-437 6032 Fax: 071-494 0607

HOBSTONES
RECRUITMENT CONSULTANTS

Chairman's PA
£20,000 + bens

Socially poised PA is sought to assist a charming and dynamic chairman within a successful international company near Liverpool Street. Your excellent organisation skills will ensure that all functions; reception at the House of commons, golf open days and a glittering ball for all their clients, run without a hitch, and that his extremely busy diary doesn't get double booked! This is a superb opportunity to become totally involved in a interesting and varied environment. Skills: 90/60/Microsoft Word for Windows. Please call Esther Marsden on 071-377 9919.

HOBSTONES
RECRUITMENT CONSULTANTS

MAGIC MOTIVATOR - £21,000

The Managing Director of a well-established City Company needs a PA/Administrator with a magic wand. Included in your repertoire will be responsibility for secretarial staff, control of 'housekeeping', co-ordination of in-house seminars, catering arrangements and general office management. Age 28-33. Skills 100/70.

DIRECTORS' SECRETARIES
071 629 9323

PERSONNEL OFFICER

Top International Firm seeking grad. calibre P.O with part or qual. IPM to play a major role in the recruiting function. 2-3 years practical exp. 75% recruiting/ 25% Personnel admin. Great opening.

Call Jacqui 071-287 3655

NEXT EMPLOYMENT

TEMP TO PERM

We have 7 temp to perm assignments starting mid December in Central London. They range from Team Secretary to Senior PA with salaries & benefits to be envied. If you have 55wpm typing, MS Word for Windows and/or Powerpoint, call Julie Cooke, Tate Appointments on 071 408 0424.

Tate

UXBRIDGE COLLEGE

UXBRIDGE COLLEGE

PERSONNEL ADMINISTRATOR
Scale 4/5

Salary: £12,141-£14,988 (inc. L.W)

A Personnel Administrator is required to join the busy, expanding Personnel Section at Uxbridge College.

Reporting to the Personnel Manager, you will work primarily with Payroll, monitoring all changes of staff salary and conditions, and liaising extensively with Pension Funds. You will be involved in all aspects of personnel administration, including the implementation of a computerised Personnel System.

The ideal candidate will have previous personnel experience, and excellent organisational and secretarial skills including word processing (ideally WP 5.1).

For further details, please contact:

Personnel Section, Uxbridge College, Park Road, Uxbridge, Middlesex, UB8 1NQ. Tel: 0895 230411, ext. 227.

Closing Date:
Wednesday 15 December 1993

UXBRIDGE COLLEGE

EARLY CHRISTMAS PRESENTS
£18,000 - £25,000

BANKING - This highly successful and foward thinking Chairman will give you carte blanche to run his business and personal life liaising with influential business and political heads as well as Royal Households and charities.

MULTINATIONAL - A new Chairman brings with him fresh ideas and strategies for the 1990's and as his PA/Sec you will be part of this exciting new era taking responsibility for his every move.

MEDIA - A chance to write your own job description to support a young Managing Director as he negotiates new deals to expand this already successful company even more. With your help he'll be unstopable.

All of the above need polished, flexible, quick and phenomenally well organised PA/Sec's who relish the opportunity of working for demanding individuals in a pressurised and challenging environment. A sense of humour will be a must. Shorthand useful/60.

071-287 7788

Angela Mortimer
SECRETARIAL RECRUITMENT CONSULTANCY

CALLING ALL UNDERPAID LEGAL SECS

We have noticed a definite upturn in the recruitment of experienced legal secs. with salaries which are finally reflecting how important your positions have become. We currently are recruiting in all disciplines of legal with salaries of up to £19,000. If you would like to know more about what is out there for you call Ian Castle at Portman Recruitment on 071 374 4298.

URGENT! CONVEYANCING SECS REQ'D

The property market is slowly but surely finding itself on the upturn, which has now left us needing superior conveyancing secretaries to fill a number of exciting opportunities. So if you have in excess of 18months conveyancing exp, call Ian Castle at Portman on 071 374 4298 and get yourself out of a rut!

CAPITA PROJECT MANAGEMENT SECRETARY
£14,000 + Benefits

We require a bright organised individual to provide secretarial support tothis busy department. You will need to be flexible, level headed and stay calm under pressure with a team spirit and good WP and audio typing skills.

Please send your CV and covering letter to Ms Debbie Good, Capita Property Services Limited, 71 Victoria Street, London SW1H 0XE

SECRETARY
GRADE 4
MA in International Studies & Diplomacy
£13k - £15k pa inc

SOAS
School of Oriental and African Studies
University of London

We require a professional secretary with wordprocessing and database skills to join a team that currently provides Japanese programmes for students, business people and diplomats. From April you will be involved in a new project to develop and support an MA in International Studies and Diplomacy. Two years' office experience, preferably dealing with people from different countries, and a commitment to the education would be advantageous.

An application form and job description are available from the Personnel Office, School of Oriental and African Studies, Thornhaugh Street, Russell Square, London WC1H 0XG. Tel: 071-323 6189, 10.30am - 2pm.

Closing date: Thursday 9th December
Interviews: Thursday 16th December

SOAS is an equal opportunities employer.

ROYAL SOCIETY OF MEDICINE
SECRETARY

A prestigious academic society, based in the West End, has a vacancy for a Secretary working jointy for the Building Services Manager and the Information Technology Manager.

Skills required: organization ability, word processing (MS Word for Windows), audio, possibly experience of spreadsheets (Excel for Windows).

A salary package of around £14,000 p.a is offered and an attractive workplace.

Applications by letter and C.V. should reach Mr K Newton, Executive Assistant, Royal Society of Medicine, 1 Wimpole Street, London W1M 8AE by 6 December 1993.

P.A.
Executive Search

Attractive Salary Central London

A confident P.A. is required to work for two busy Partners of a leading international executive search firm.

The successful candidate will probably be aged 25-35, educated to 'A' level standard, possess excellent organisational skills and be able to work on own initiative and, at times, under pressure. Good audio/typing speeds and experience of WordPerfect 5.1 are essential.

Please fax CV on 071-839 7107 or telephone Deirdre Yager on 071 930 4334 for further details.

Secretary
£17,500 - W1

Charming Senior Executive of a highly successful international property company needs an enthusiastic secretary. This is a busy, varied role sorting out complex travel arrangements, lots of telephone work liaising with offices worldwide and providing faultless secretarial support. Good Sh/audio/wp skills. 80/60 and knowledge of MS Word for Windows an advantage. Beautiful offices and good benefits. Age 28-35. Please call Elizabeth Wood on 071-434 4512.

Crone Corkill
RECRUITMENT CONSULTANTS

PERSONNEL
£16,000.

Our client, a famous international company, needs an experienced Secretary/PA. This very demanding role requires excellent communication skills and previous experience of conference organising and training programmes. Extensive graphics presentations is essential. This is an excellent opportunity for someone who wants to develop and expand their present role.

Rogers & Gillespie. (Rec Cons) 071 409 0744.

BORED? LIKE PEOPLE? ENJOY CHAMPAGNE?

Top City Champagne Bar needs young, attractive, energetic bar person.

Phone Roger or David on
071 242 0421

Graduate Recruitment
£16,000 + Banking Bens.

An exciting opportunity has arisen to work for the Head of Graduate and MBA recruitment within a leading US Investment Bank. Flexibility, tenacity, superb organisational skills and the ability to liaise with confidence at any level are just some of the qualities needed to tackle this high profile role. Previous exposure to a high pressure role, commitment to a team orientated environment and endless energy are essential. IMMEDIATE START NEEDED. Skills: Good typing/Microsoft Word for Windows. Age: 20-25. Please telephone Claire Ashley on 071-377 8827.

Crone Corkill
RECRUITMENT CONSULTANTS

LEARN NEW SKILLS AND REFRESH OLD ONES

Intensive or flexible courses in information technology and secretarial skills offered throughout the year.

St James's Secretarial College
Kensington, London SW5
071 373 3852

25% Tax Relief on all self-funded training.
Careers Advisory Service available.

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Human Rights Law Report — Strasbourg

Interference with broadcasters unnecessary in democratic society

Informationsverein Lentia and Others v Austria

(Cases Nos 36/1992/381/455-459)

Before R. Ryssdal, President and Judges R. Bernhardt, F. Matscher, L.-E. Pettiti, A. Spielmann, E. Palm, F. Bigi, A. B. Baka and G. Mifsud-Bonnici

Registrar M.-A. Eissen

[Judgment November 24]

The fact that applicants had been prohibited, under Austrian law, from setting up and operating a radio or a television station constituted a violation of their freedom of expression as guaranteed by article 10 of the European Convention on Human Rights.

The European Court of Human Rights so held unanimously and observed that the far-reaching character of such restrictions meant that they could only be justified where they corresponded to a pressing need.

The interferences in issue were disproportionate to the aim pursued, maintaining a public broadcasting service monopoly to ensure the quality and balance of programmes, and were accordingly not necessary in a democratic society.

Article 10 of the Convention provides:

"1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers. This article shall not prevent states from requiring the licensing of broadcasting, television or cinema enterprises.

"2. The exercise of these freedoms, since it carries with it duties and responsibilities, may be subject to such formalities, conditions, restrictions or penalties as are prescribed by law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health or morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence, or for maintaining the authority and impartiality of the judiciary.

On June 9, 1978 the first applicant, an association of co-proprietors and residents of a housing estate in Linz, applied to the Linz regional post and telecommunications authority for a licence to set up and operate a closed cable television network, whose programmes were to be confined to questions concerning the rights of its members. On November 23, 1979 the national post and telecommunications head office finally rejected that request, on the ground that there was no legal basis on which it could be granted.

On December 16, 1983 the Austrian Constitutional Court dismissed an appeal against that decision. In its view the constitutional broadcasting law of July 10, 1974 had introduced a licensing system within the meaning of the last sentence of article 10.1 of the Convention.

The system was intended to secure objectivity and diversity of opinions and would, according to the Constitutional Court, be ineffective if everybody could obtain a licence. As matters stood, the right to broadcast was restricted to the national broadcasting corporation, as no implementing legislation had been enacted apart from the law governing that organisation.

The Constitutional Court remitted the case to the Administrative Court, which in its turn dismissed the application on September 10, 1986 by a judgment which in substance endorsed the Constitutional Court's reasoning.

Between 1987 and 1989 the second applicant, Mr Jorg Haider, worked on a project aimed at setting up, with other persons, a private radio station in Carinthia. He subsequently abandoned his plans after a study revealed that, under the applicable law as interpreted by the Constitutional Court, it would be impossible to obtain the necessary licence.

The third applicant, an Austrian association, *Arbeitsgemeinschaft Offenes Radio* (Agora), a member of the *Fédération Européenne des Radios Libres*, (European Federation of Free Radios), wished to set up in Southern Carinthia a radio station broadcasting non-commercial programmes in German and in Slovene.

In 1988 it sought a licence, which the Klagenfurt regional post and telecommunications authority, then the Vienna national post and communications head office, refused to grant on December 19, 1989 and August 9, 1990 respectively. That decision was confirmed by the Constitutional Court on September 30, 1991.

The fourth applicant, Mr Wilhelm Weber, was a shareholder in an Italian company which operated a commercial radio broadcasting to Austria and wished to engage in the same activity in that country. In view of the legal position, it decided, however, against applying to the relevant authorities.

The fifth applicant, Radio Melody GmbH, was a private limited company incorporated under Austrian law. On November 8, 1988 it requested the Linz regional post and telecommunications authority to allocate to it a frequency for a local radio station which it wished to launch in Salzburg.

On April 28, 1989 its request was refused and that decision was approved on July 12, 1989 by the national head office and on June 18, 1990 by the Constitutional Court.

The applications were lodged with the European Commission of Human Rights on various dates between April 16, 1987 and August 20, 1990. The Commission ordered their joinder on July 13, 1990 and January 14, 1992. On January 15, 1992 it found the complaints concerning articles 10 and 14 admissible and declared that based on article 6 inadmissible.

Having attempted unsuccessfully to secure a friendly settlement, the Commission drew up a report on September 9, 1992 in which it established the facts of the case and expressed the opinion that there had been a violation of article 10 (unanimously as regards the first applicant and by fourteen votes to one for the others) and that it was not necessary also to examine the case from the point of view of article 14 (unanimously as regards the first applicant and by fourteen votes to one for the third applicant).

It referred the case to the Court on October 26, 1992.

In its judgment, the European Court of Human Rights held as follows:

I Alleged violation of article 10

The applicants complained that they had each been unable to set up a radio station or, in the case of *Informationsverein Lentia*, a television station, as under Austrian legislation that right was restricted to the Austrian Broadcasting Corporation.

The Court observed in the first place that the restrictions in issue amounted to an interference with the exercise by the applicants of their freedom to impart information and ideas. The only question which arose was therefore whether such interference had been justified.

The Court reiterated that the object and purpose of the third sentence of article 10.1 and the scope of its application had to be considered in the context of the article as a whole and in particular in relation to the requirements of article 10.2, to which licensing measures remained subject: see *Groppera Radio AG and Others v Switzerland* (*The Times* April 16, 1990; 1990 Series A, No 173, p24, paragraph 61) and *Autronic AG v Switzerland* (*The Times* May 30, 1990; 1990 Series A, No 178, p24, paragraph 52). It was therefore necessary to ascertain whether the rules in question complied with both of those provisions.

A Article 10.1, third sentence

The Court held that the purpose of that provision was to make it clear that states were permitted to regulate by a licensing system the way in which broadcasting was organised in their territories, particularly in its technical aspects (see *Groppera Radio* paragraph 61).

Technical aspects were undeniably important, but the grant or refusal of a licence might also be made conditional on other considerations, including such matters as the nature and objectives of a proposed station, its potential audience at national, regional or local level, the rights and needs of a specific audience and the obligations deriving from international legal instruments.

That might lead to interferences whose aims would be legitimate under the third sentence of paragraph 1, even though they did not correspond to any of the aims set out in paragraph 2. The compatibility of such interferences with the Convention had nevertheless to be assessed in the light of the other requirements of paragraph 2.

The monopoly system operated in Austria was capable of contributing to the quality and balance of programmes, through the supervisory powers over the media thereby conferred on the authorities. In the circumstances of the present case it was therefore consistent with the third sentence of paragraph 1.

B Article 10.2

The interferences complained of had been, and that was not disputed by any of the participants in the proceedings, prescribed by law. Their aim had already been held by the Court to be a legitimate one. On the other hand, a problem arose in connection with the question whether the interferences had been necessary in a democratic society.

The contracting states enjoyed a margin of appreciation in assessing the need for an interference, but that margin went hand in hand with European supervision, whose extent would vary according to the circumstances. In cases such as the present one, where there had been an interference with the exercise of the rights and freedoms guaranteed in article 10.1, the supervision had to be strict because of the importance, frequently stressed by the Court, of the rights in question. The necessity for any restriction had to be convincingly established (see, among others, *Autronic Radio* pp26-27, paragraph 61).

The Austrian government had drawn attention in the first place to the political dimension of the activities of the audio-visual media, which was reflected in Austria in the aims fixed for such media under article 1.2 of the Constitutional broadcasting law of 1974, namely to guarantee the objectivity and impartiality of reporting, the diversity of opinions, balanced programming and the independence of persons and bodies responsible for programmes.

In the government's view, only the system in force, based on the monopoly of the Austrian Broadcasting Corporation, made it possible for the authorities to ensure compliance with those requirements. That was why the applicable legislation and the charter of the Austrian Broadcasting Corporation made provision for the independence of programming, the freedom of journalists and the balanced representation of political parties and social groups in the managing bodies.

In opting to keep the present system, the state had in any case merely acted within its margin of appreciation which had remained unchanged since the adoption of the Convention. Very few of the contracting states had had different systems at the time.

In view of the diversity of the structures which now existed in that field, it could not seriously be maintained that a genuine European model had come into being in the meantime.

The applicants maintained that to protect public opinion from manipulation it was by no means necessary to have a public monopoly in the audio-visual industry, otherwise it would be equally necessary to have one for the Press.

On the contrary, true progress towards attaining diversity of opinion and objectivity was to be achieved only by providing a variety of stations and programmes. In reality the Austrian authorities were essentially seeking to retain their political control over broadcasting.

The Court had frequently stressed the fundamental role of freedom of expression in a democratic society, in particular where, through the Press, it served to impart information and ideas of general interest, which the public was moreover entitled to receive (see, for example, *mutatis mutandis*, *The Observer and The Guardian v United Kingdom* (*The Times* November 27, 1991; 1991 Series A No 216, pp29-30, paragraph 59).

Such an undertaking could not be successfully accomplished unless it was founded in the principle of pluralism, of which the state was the ultimate guarantor. That observation was especially valid in relation to audio-vidual media, whose programmes were often broadcast very widely.

Of all the means of ensuring that those values were respected, a public monopoly was the one which imposed the greatest restrictions on the freedom of expression, namely the total impossibility of broadcasting otherwise than through a national station and, in some cases, to a very limited extent through a local cable station.

The far-reaching character of such restrictions meant that they could only be justified where they corresponded to a pressing need.

As a result of the technical progress made over the last decades, justification for those restrictions could no longer today be found in considerations relating to the number of frequencies and channels available; the Austrian government accepted that.

Second, for the purposes of the present case they had lost much of their *raison d'être* in view of the multiplication of foreign programmes aimed at Austrian audiences and the decision of the Administrative Court to recognise the lawfulness of their retransmission by cable.

Finally and above all, it could not be argued that there were no equivalent less restrictive solutions. It was sufficient by way of example to cite the practice of certain countries which either issued licences subject to specified conditions of variable content or made provision for forms of private participation in the activities of the national corporation.

The Austrian government had also adduced an economic argument, namely that the Austrian market was too small to sustain a sufficient number of stations to avoid regroupings and the constitution of private monopolies.

In the Court's view, the government's assertions were contradicted by the experience of several European states, of a comparable size to Austria, in which the co-existence of private and public stations, according to rules which varied from country to country and accompanied by measures preventing the development of private monopolies, showed the fears expressed to be groundless.

In short, the Court considered that the interferences in issue had been disproportionate to the aim pursued and had, accordingly, not been necessary in a democratic society.

There had therefore been a violation of article 10.

In the circumstances of the case, that finding made it unnecessary for the Court to determine whether, as had been claimed by some of the applicants, there had also been a breach of article 14, which guaranteed the enjoyment of Convention rights and freedoms without discrimination, taken in conjunction with article 10.

II Application of article 50

A Damage

Informationsverein Lentia sought 900,000 Austrian schillings and Radio Melody 5,444,714.66 schillings for pecuniary damage.

They based their claims on the assumption that they would not have failed to obtain the licences applied for if the Austrian legislation had been in conformity with article 10.

That was, however, in the Court's opinion, speculation, in view of the discretion left in that field to the authorities. No compensation was therefore recoverable under that head.

B Costs and expenses

As regards costs and expenses, the applicants claimed respectively 136,023.54 schillings (*Informationsverein Lentia*), 513,871.20 schillings (Haider), 390,115.20 schillings (Agora), 519,871.20 schillings (Weber) and 605,012.40 schillings (Radio Melody).

Making an assessment on an equitable basis, the Court awarded 165,000 schillings each to *Informationsverein Lentia*, Agora and Radio Melody for the proceedings conducted in Austria and in Strasbourg. Mr Haider and Mr Weber, who had only appeared before the Convention institutions, were entitled to 100,000 schillings each.

Court of Appeal — Law Report December 1 1993

Cost benefit analysis by court

AB and Others v John Wyeth & Brother Ltd and Others (No 2)

Before Lord Justice Balcombe, Lord Justice Stuart-Smith and Lord Justice Peter Gibson

[Judgment November 26]

Although as a general rule it was inappropriate for the court to enter into a cost benefit analysis in determining whether to strike out actions in group litigation, in a case where any benefit to plaintiffs would be extremely modest taken against the astronomical expense of defending the claims, the court was entitled to strike the actions out.

The Court of Appeal so held in a reserved judgment in dismissing an appeal brought by the plaintiffs, users of benzodiazepine drugs, against the decisions of Mr Justice Ian Kennedy on October 20, 1992 and March 15, 1993 to strike out the plaintiffs' actions against prescribers of drugs manufactured by the first and second defendants.

Mr Anthony Scrivener, QC and Mr Peter Griffiths for the plaintiffs; Mr Stephen Miller, QC and Miss Sally Smith for the health authorities; Mr Robert Owen, QC and Mr Philip Havers for the general practitioners.

LORD JUSTICE STUART-SMITH, delivering the judgment of the court, said that the appeals raised a point in relation to the power of the court in group litigation to strike out actions pursuant to Order 18, rule 19 of the Rules of the Supreme Court and the inherent jurisdiction of the court.

Mr Justice Ian Kennedy had struck out the plaintiffs' actions on the basis that they were vexatious and an abuse of the process of the court, because the irrecoverable costs incurred and likely to be incurred by the prescribers were out of all proportion to any benefit that the plaintiffs could obtain from the litigation against them.

The gist of the actions was that the drugs lorazepam, (manufactured and marketed by John Wyeth & Brother Ltd as "Ativan" and diazepam, manufactured and marketed by Roche Products Ltd as "Valium", were potentially hazardous as being addictive and induced dependency.

By the time the actions to strike out were made there were in the group litigation about 2,776 actions against Wyeth; 1,676 against Roche and 501 against both.

In a proportionately small number of those actions, prescribers of the drug were joined as defendants. In 19 cases it was the consultant psychiatrist employed by the relevant health authority, for whom the health authority was vicariously liable; in approximately 150 cases the prescriber was the general practitioner. There was some overlap in that in some of the 19 cases, general practitioners were also defendants.

The defendant prescribers were different in each case but in the main the allegations of negligence were of excessively prolonged treatment or high dosage, abrupt withdrawal, failure to follow the manufacturers' data sheets or to have regard to the corpus of medical knowledge at a particular time. The claims against the prescribers were in the alternative and would only be pursued if the claims against the manufacturers failed.

Moreover, in the absence of any plea by the manufacturers that any negligent prescribing constituted a *novus actus interveniens*, if liability was established against the manufacturers, they would be liable for all the damages that could be proved to have been caused. It was common ground that if the plaintiffs succeeded only against the prescribers, the quantum of damages recoverable would be very modest.

One of the reasons Mr Justice Ian Kennedy gave for striking out the actions was that most of the plaintiffs were legally aided. Since the hypothesis upon which the claims against the prescribers were to be pursued was that the actions would have failed against the manufacturers, any damages that legally aided plaintiffs might recover against the prescribers and health authorities would be consumed by the legal aid charges.

In their Lordships' judgment, in most cases it would be inappropriate for the court to enter upon the sort of cost benefit analysis which the judge undertook here. The court could not weigh the plaintiff's prospect of receiving £1,000 against the defendant's costs of £10,000 which might be irrecoverable: that could only be done at trial.

Alternatively, it was a matter for the commercial judgment of the defendant whether he attempted to reach a settlement with the plaintiff and in so doing he had to take into account as part of the equation that the plaintiff was legally aided or impecunious.

However, the present case was quite different. One could see at a glance that the prescriber defendants would be put to astronomical expense in defending those contingent claims. And to what end?

If the plaintiffs stood to obtain a substantial benefit, the position might well be different. But here the benefit was at best extremely modest, and in all probability nothing. That involved great injustice to the defendants.

Group actions involved great advantage to the plaintiffs, who were able to join together to bring actions which, on their own, would never be possible. But they had to be conducted in such a way that they did not involve injustice to other parties.

There were no rules of court specifically dealing with group actions. The judge to whom they were assigned could and should devise procedures to deal with the specific problems of the litigation before him.

A second point had been raised in the Court of Appeal which had not been raised below. Mr Scrivener submitted that at the very least the plaintiffs should be permitted to elect whether they wished to continue against the manufacturers or against the prescriber.

In all the cases with which the court was concerned, the plaintiffs' solicitors had made it abundantly clear that their primary target was the manufacturers. That was the way they had elected to proceed.

Their Lordships saw no reason why they should now be permitted to resile from that position.

Solicitors: Nelson & Co; Hill Dickinson, Liverpool; Hempsons.

Court of Appeal

Comments on silent defendants

Regina v Martinez-Tobon

Before Lord Taylor of Gosforth, Lord Chief Justice, Mr Justice Schiemann and Mr Justice Wright

[Judgment November 26]

Guidance to judges about commenting to juries when a defendant did not testify was given by the Court of Appeal when delivering a reserved judgment dismissing an appeal by Wilson Humberto Martinez-Tobon, aged 50, against conviction at Isleworth Crown Court (Judge Miller and a jury) of being knowingly concerned in the fraudulent evasion of a prohibition on importing 2.48kg of cocaine.

He was sentenced to 10 years imprisonment and a confiscation order for £2,000 was made under the Drug Trafficking Offences Act 1986, with 28 days consecutive to the imprisonment in default of payment, and a recommendation for deportation also was made.

The defence at the trial, by the appellant who did not give evidence, was that he was expecting and had discussed with a co-defendant, who denied it, the importation of a consignment of emeralds.

Mr James A. Montgomery, assigned by the Registrar of Criminal Appeals, for the appellant; Mr David Radcliffe for the Crown.

THE LORD CHIEF JUSTICE, giving the judgment of the court, said that the question raised in the appeal: "What was the scope of a judge's discretion in commenting on the defendant's failure to give evidence?" had been considered many times in the Court of Appeal but the answers had not all been consistent.

His Lordship reviewed the relevant case law including: *R v Rhodes* ([1899] 1 QB 77); *R v Corrie and Watson* ((1904) 20 TLR 365); *R v Bernard* ((1908) 1 Cr App R 218); *R v Voisin* ([1918] 1 KB 531); *Waugh v The King* ([1950] AC 203); *R v Fisher* ([1964] Crim LR 150); *R v Bathurst* ([1968] 2 QB 99); *R v Sparrow* ([1973] 1 WLR 488); *R v Mutch* ([1973] 1 All ER 178); *R v Pratt* ([1971] Crim LR 234); *R v Perry* (unreported, May 12, 1992); *R v Brigden* ([1973] Crim LR 579); *R v Brockett* (unreported, October 12, 1970); *R v Harris* ((1986) 84 Cr App R 75); *R v Squire* ([1990] Crim LR 341); *R v Walsh* (unreported, May 15, 1990) and *R v Fullerton* (unreported, May 28, 1993).

Their Lordships recognised that the decisions on the subject were not easily reconcilable and that the dividing line between permissible and impermissible comment was, under the present law, not easily discernible.

Their Lordships recognised also that there were presently proposals for altering the law relating not only to comment on a defendant's failure to testify, but also to his failure to answer questions put by the police. However, their Lordships considered for the present that the following principles applied where a defendant did not testify:

1 The judge should give the jury a direction along the lines of the Judicial Studies Board specimen direction based on *Bathurst*:

"The defendant does not have to give evidence. He is entitled to sit in the dock and require the prosecution to prove its case. You must not assume that he is guilty because he has not given evidence.

"The fact that he has not given evidence proves nothing, one way or the other. It does nothing to establish his guilt. On the other hand, it means that there is no evidence from the defendant to undermine, contradict, or explain the evidence put before you by the prosecution."

2 The essentials of that direction were that the defendant was under no obligation to testify and the jury should not assume he was guilty because he had not given evidence.

3 Provided those essentials were complied with, the judge might think it appropriate to make a stronger comment where the defence case involved alleged facts which (a) were at variance with prosecution evidence or additional to it and exculpatory, and (b) had, if true, to be within the knowledge of the defendant.

4 The nature and strength of such comment had to be a matter for the discretion of the judge and would depend upon the circumstances of the individual case. However, it must not be such as to contradict or nullify the essentials of the conventional direction.

His Lordship added that, applying those principles, the appeal was dismissed.

Solicitors: Solicitor, Customs and Excise.

Way to oust father from home

In re F (Minors) (Parental home: ouster)

Before Lord Justice Nourse and Mr Justice Thorpe

[Judgment November 19]

Neither the specific issue order provisions of section 8 of the Children Act 1989 nor the inherent jurisdiction of the court to grant injunctions enabled an order to be made ousting a father from the house of which he was a joint tenant so as to make it available for his two young children to live in and be cared for by their mother.

The mother's only remedy was to apply under section 15 of and Schedule 1 to the 1989 Act for an order that the father transfer his interest in the tenancy to her for the benefit of the children.

The Court of Appeal so held dismissing an appeal by the mother from the judgment of Judge Marcus Edwards in Brentford County Court refusing to order that she be allowed to reside at the house of which she was a joint tenant in the absence of the father.

Section 8 of the 1989 Act provides: "(1) . . . 'a specific issue order' means an order giving directions for the purpose of determining a specific question which has arisen, or which may arise, in connection with any aspect of parental responsibility for a child."

Miss Rosina Hare, QC, for the mother; Mr Paul Coleridge, QC and Mr Giles Powell for the father.

LORD JUSTICE NOURSE said that the mother sought an order excluding the father of their twins aged two from the home where they had formerly lived together and where they were joint tenants of a housing association. The parties were unmarried.

Their relationship had broken down. In September 1992 the mother left with the children and went to live with her parents. The father continued living in the house.

In March 1993 the mother applied to be allowed to reside with the children at the home in the absence of the father. The judge, observing that there were no allegation of violence, that the twins should reside with their mother and that the accommodation at the mother's parents' house was unsatisfactory, nevertheless went on to refuse the mother's application.

Miss Hare argued that the order sought by the mother could be granted by way of a specific issue order because of the paramountcy of the children's welfare under section 1(1)(a) of the 1989 Act and her sole parental responsibility for them under section 2(2)(a).

Miss Hare submitted that the real question with which the court was concerned was where, in their best interests, the children should live and that was as much a specific question as, for example, where they should go to school.

His Lordship agreed that it was in the children's best interest that they should return to live in the home with the mother in the absence of the father. It was also correct to say that, in a case where an order would not interfere with a right of occupation, the question where a child should live would usually be suitable for determination on an application for a specific issue order.

But that could not be so where a right of occupation would be interfered with. However such an order was dressed up and for whatever reason it was made, it would in substance be an ouster order. Such orders having become very familiar to Parliament by 1989, it could not have been intended that they should be capable of being made under the guise of specific issue orders.

Miss Hare alternatively argued that the mother was entitled to an injunction under the inherent jurisdiction of the court. But there were decided cases which made distinctions between couples who were or had been married and unmarried couples who were or had been living together and which bound the court. *Ainsbury v Millington* ([1986] 1 All ER 73) decided on facts indistinguishable for any relevant purpose from those of the present case required Miss Hare's alternative argument to be rejected.

But the mother was not without a potential remedy under the 1989 Act. She could have made, and no doubt could still make, an application under section 15 and paragraph 1(2)(e)(i) of Schedule 1 for an order requiring the father to transfer to her, for the benefit of the twins, his interest in the joint tenancy of the home: see *K v K (Minors: Property Transfer)* ([1992] 1 WLR 530). Such an order would give to her, as against the father, an exclusive right to occupy the home.

Mr Justice Thorpe gave a concurring judgment.

Solicitors: Leslie Oliver & Co, Ealing; Bruce Weir Webber & Co, Chiswick.

Sex abuse standard of proof

In re W (Minors) (Sexual abuse: standard of proof)

The burden of proving an allegation of sexual abuse of a child was on the party making the allegation and the standard was the balance of probabilities. Possibly some lesser degree of probability was required if a court merely had to be satisfied that a child had been a victim of sexual abuse. But any such lower standard was not applicable if there was only one possible candidate for the role of perpetrator.

The Court of Appeal (Lord Justice Balcombe and Lord Justice Beldam) so stated in a reserved judgment on November 26 when dismissing a father's appeal from the refusal by Mr Justice Wilson to allow him contact with his four children but holding that, because the judge had not applied the correct standard of proof, his finding of sexual abuse by the father against two of his daughters could not stand.

LORD JUSTICE BALCOMBE said that the standard of proving sexual abuse was the balance of probabilities. The more serious the allegation the more convincing was the evidence needed to tip the balance in respect of it.

It had been suggested that a lesser degree of probability was require to satisfy the court that a child had been the victim of sexual abuse than was required to establish the identity of the perpetrator (*per* Lord Justice Butler-Sloss in *H v H* ([1990] Fam 86, 100).

If, however, there was only one possible perpetrator then a finding that sexual abuse had occurred would inevitably lead to a finding as to the identity of the perpetrator. Then the standard had to be the single, higher standard.

LORD JUSTICE BELDAM said the serious issue against the father had to be proved to a standard beyond a mere balance of probability but not necessarily to the criminal standard.

Scots Law Report December 1 1993 Court of Session

No authority to disclose evidence

Liquidators of First Tokyo Index Trust Ltd v Morgan Stanley Trust Company and Others

Before Lord Cameron of Lochbroom

[Judgment September 30]

Liquidators of a company who had recovered evidence under sections 236 and 237 of the Insolvency Act 1986 which, in their opinion, provided grounds for action on behalf of the company and by the sole creditor thereof against third parties would not be allowed to disclose the evidence to the creditor in order to satisfy him that such grounds existed, notwithstanding that the creditor was the sole source of funds for the liquidation.

Lord Cameron of Lochbroom, sitting in the Outer House of the Court of Session, so held, refusing *in hoc statu* a motion by Ian McIsaac and Robert Wilson, the liquidators of First Tokyo Index Trust Ltd for authority to disclose documents and transcripts to the Swiss Bank Corporation.

Mr James Drummond Young, QC and Mr David Johnston for the petitioners; Mr James McNeill, QC, for Morgan Stanley Trust Co, Morgan Stanley International and others; Mr Michael Upton for the Swiss Bank Corporation.

LORD CAMERON said that the petitioners had been granted various orders enabling them in terms of sections 236, 237 and 426 of the Insolvency Act 1986 to recover documents from various persons and to examine named individuals. When the orders had been granted, they had undertaken that the documents would be used solely for the purposes of the liquidation.

Swiss Bank Corporation had agreed in May 1991 to lend money to Headington Investments Ltd to enable the shares of First Tokyo to be acquired, on condition that the acquisition would be made through a company called Adviser (188) Ltd and that security would be obtained directly over the assets of First Tokyo in the shape of portfolio shares.

Adviser had been acquired by Headington and had bid for First Tokyo. By July 29, 1991 Adviser had acquired control of First Tokyo. On July 3 the bank, Headington and Adviser had entered into an agreement whereby Adviser undertook to procure that First Tokyo's assets would not be encumbered or alienated. On August 6, £55.8 million was advanced under the loan agreement.

Between July 31 and October 3 the portfolio shares of First Tokyo had been delivered or sold on various instructions, so that on November 7, 1991 the bank were informed by the chairman of the board of First Tokyo, who was also the chairman of Adviser, that he had just learned that the portfolio shares had been sold some time previously, that the proceeds of sale had been paid to other companies in the Maxwell Group, and that those companies no longer had the funds.

The petitioners had then been appointed by the bank as receivers of Adviser. Since December 10, 1991 the whole shares of First Tokyo had been held by or on behalf of the bank.

First Tokyo had no significant assets and no significant creditors. The only significant asset of Adviser was its beneficial interest in the shares of First Tokyo. The bank was now a creditor of Adviser to the extent of the loan.

The petitioners intended to instruct proceedings in the English courts in the immediate future, funded by the bank and directed against the respondents in relation to their actings in respect of the delivery and sale of the portfolio shares.

The petitioners submitted that the bank stood in a special relationship to the liquidation. It had the real beneficial interest in First Tokyo and any remaining assets therein. The purpose of the liquidation accordingly extended to attempting to obtain redress for the bank as the only party having a substantial interest in the liquidation.

The purposes of the liquidation should be construed widely. Reference was made to *Re Esal (Commodities) Ltd* ([1989] BCLC 59), *Re Esal (Commodities) (No 2) Ltd* ([1990] BCC 708) and *Arrows Ltd (No 4)* ([1993] 3 WLR 513).

Moreover, given that the bank would fund the proposed proceedings, it was appropriate that the petitioners should be able to demonstrate to the bank as paymasters that the proceedings were likely to be successful and so keep them fully informed as to its basis.

His Lordship had come to the clear view that leave should not be presently given. The statutory power given to the court in the 1986 Act was an extraordinary power: see *In re British & Commonwealth plc* ([1993] AC 426). The proper case for its exercise was one where the office-holder reasonably required to see documents or to examine individuals to carry out his functions.

The liquidator was only entitled to use the information he had obtained in the course of carrying out his functions and within the purpose of the liquidation, which would include the getting in of any assets of the company available in the liquidation.

Thus his Lordship did not consider that the decision in *Re Esal (Commodities) Ltd* assisted the petitioners. There the court had been concerned with disclosure of material to directors or liquidators of subsidiaries to assist them in getting in assets or defending assets for the benefit not merely of the subsidiary but also the parent company itself. There was no such company connection between First Tokyo and the Bank.

In *Re Esal (Commodities) (No 2)* Mr Justice Millett had been persuaded to grant leave for two reasons that were relevant to the present case, both arising as a result of an action having been raised by the creditor and by reference to the ground of action founded upon by the liquidators. The situation was not the same in the present case, because the proceedings contemplated by the bank were likely to proceed on different grounds from those of the petitioners.

From the opinion of Mr Justice Megarry in *Re Spiraflite Ltd* ([1979] 1 WLR 1096, 1100), his Lordship took the point that the powers granted by section 236 of the 1986 Act were given to the court in order to enable the liquidator better to discharge his functions as such and not to enable a prospective litigant to improve the prospects of litigious success by giving him rights which other litigants lacked: see Lord Justice Dillon in *Re Arrows Ltd (No 4)* (at p526) and in *Re Headington Investments Ltd* ([1993] 3 WLR 543, 546). To grant leave would do just that and would not be for the purpose of the liquidation.

No doubt if and when the bank raised proceedings it could seek by way of discovery to obtain material relevant to its case. His Lordship failed to understand how it could be said that at this stage, when the petitioners had already decided upon initiating proceedings and had funding for that purpose, there was any interest in the bank to have sight of the specific material upon which that decision had been taken.

Indeed, his Lordship would have been concerned at the suggestion made that the bank and their legal advisers should have access to such material. It might well be regarded as undesirable and dangerous as encroaching upon the proper exercise of their discretion by independent qualified office-holders.

Once the action was raised different circumstances would arise, not least because matters then moved into the public domain.

Be that as it may, concerns about difficulty in communicating with the bank in relation to the future conduct of an impending action could not be regarded as justifying present disclosure of material which might never be in the public domain or be required for the pruposes of the action itself, to one who was not a party to the action and who, even if conjoined thereto, would proceed upon independent grounds.

It was noteworthy that counsel for the bank sought sight of the documents already produced by reference to specific calls in the schedule attached to the petition. It would clearly be preferable in such a situation that a procedure for detailed and articulate specification of the documents sought to be made available should be adopted.

Law agents: Brodies, WS; Maclay Murray & Spens; Tods Murray, WS.

Quinn out of World Cup finals with knee injury

By Our Sports Staff

MANCHESTER City's woes increased yesterday when it was revealed that Niall Quinn, the focus of their forward line, severed cruciate ligaments in his knee during the home defeat by Sheffield Wednesday last Saturday and faces a fight to save his career and an enforced absence of at least eight months.

The news of Quinn's injury, which is similar to the one suffered by Paul Gascoigne and his City team-mate, Paul Lake, also came as a serious blow to Ireland, whose dearth of strikers nearly cost them a place in the World Cup finals in the United States next year.

They will now have to go to the United States relying on John Aldridge, 35, Tony Cascarino, the out-of-favour Chelsea target man, and Aldridge's habitual deputy, David Kelly, of Wolverhampton Wanderers. Quinn scored ten goals in 43 appearances for his country and started all 12 matches in the qualifying competition for next year's finals.

Quinn, 27, was injured in the first half of Saturday's

Quinn: knee operation

game, Peter Swales's last before he resigned as chairman of the club on Monday. The full extent of the injury, sustained when he twisted his knee, was discovered only after an exploratory operation in a Bolton hospital and the striker, who is 6ft 4in tall, will have more surgery to heal the damage.

Brian Horton, the Manchester City manager, said: "It is a devastating blow for us. Niall has had an exploratory operation because we felt he might have a cartilage problem. We do not know when he will be back for us. It will be a very long time."

Quinn, who cost £800,000 from Arsenal in March 1989, has missed only two Premiership matches for City this season and has scored five goals. Carl Griffiths, the recent signing from Shrewsbury Town, is now likely to be thrust into the first team but is cup-tied for the club's Coca-Cola Cup fourth-round tie against Nottingham Forest at the City Ground tonight.

Tottenham's injury worries also worsened yesterday. Osvaldo Ardiles, the manager, said that the goalkeeper, Erik Thorstvedt, and the young striker, Nicky Barmby, were struggling to be fit for tonight's tie with Blackburn Rovers at White Hart Lane.

Tottenham, already without a host of players, headed by Teddy Sheringham, may have to use Sol Campbell, a defender, as an emergency striker.

Blackburn, meanwhile, are almost at full strength for the match. The exception is the absence of the cup-tied Tim Flowers, the recent signing from Southampton, who will be replaced in goal by the previous incumbent, Bobby Mimms, who was disappointed when he lost his place and will be out to prove a point to his manager, Kenny Dalglish.

Blackburn welcome back their captain, Tim Sherwood, after an ankle injury, in the wake of their surprising defeat at Ipswich on Saturday. Dalglish said he was still angry about some of the criticism the team received because of their slip-up. "Some people take a tremendous joy in others' failure," Dalglish said. "At the moment, it seems to be us they want to fail. The positive reaction to that is to accept it as a compliment to how well the boys have done. After all, no one can expect to win every game."

Wimbledon, buoyed by the knowledge that they have beaten Liverpool on their past two visits to Anfield, have also been hit by injuries. "My resources are stretched to the limit," the Wimbledon manager, Joe Kinnear, said. "That does not help against a side that contains several world-class players. Liverpool will be much harder than on the previous two occasions I have gone there as manager."

In the remaining tie of the evening, Queens Park Rangers welcome back Ray Wilkins, a flu victim at the weekend, for their home match against Sheffield Wednesday. Andy Sinton will miss a return to his former club because of an ankle injury sustained in the win at Maine Road that accounted for Quinn.

The Rangers winger, Michael Meaker, 22, an outstanding success in the 1-1 draw with Tottenham on Saturday, may keep his place against Wednesday in the position usually occupied by Trevor Sinclair. Meaker attributed his recent success to off-the-field developments.

"I've calmed down a lot over the last six months since I met my girlfriend," he said. "I used to be a little bit wild and go out a lot but Gemma has helped me settle down. I have worked very hard at my game recently and Gerry Francis, the manager, has noticed that.

"My lifestyle is more ordered now. I am concentrating 100 per cent on my football and I am enjoying it a lot more. We all want to make up for last year's result when Wednesday thrashed us. The club is buzzing at the moment and we feel we can beat anybody."

Southampton have been rejected by the Denmark Under-21 international striker, Soren Frederiksen, of Viborg, the Danish club, because he is worried he may not be able to adjust to the pace of English football.

McIlroy holds firm to principles

Peter Ball charts the career of the man who is leading Macclesfield Town's hunt for FA Cup glory on Saturday

The classic formula for an FA Cup giant-killing is simple — small club hustles and bustles, and possibly kicks, their betters into submission. When it is a local derby to boot, the hustling, bustling and kicking generally intensifies, but Crewe Alexandra, who for once are cast as the big club, need have no fears on that score this weekend.

Under Sammy McIlroy, Macclesfield will try to join the ranks of giant-killers by taking on their Cheshire neighbours at skilful football, as befits someone who spent the major part of his career at Old Trafford. Once lumbered with the tag "the last of the Busby Babes", McIlroy came into the United side during the last days of Law, Best and Charlton.

He began with a bang, scoring against Manchester City on his debut in the memorable derby match of 1971, the first of four goals in his first four full matches. As a slim young forward from Belfast and a fine runner with the ball, that start ensured he was given the burden of comparison with George Best. That was unsustainable and as United sank, his own career also stalled.

He re-emerged to play an important role under Tommy Docherty in United's revival in the mid-Seventies, moving back into midfield, where he also made an outstanding contribution to Northern Ireland's success under Billy Bingham, playing a full part in reaching the World Cup finals in 1982 and 1986, and twice winning the British Championship.

Docherty's years at Old Trafford were the formative ones for McIlroy. He subsequently played for Stoke, had a brief, unsatisfactory return to Manchester with City, and then played in Sweden before ending his career with Bury, but he has remained a United man through and through, still living near the ground.

Docherty's side, apart from a notable Cup Final victory over Liverpool in 1977, won more friends than medals, and Steve Coppell and Lou Macari, McIlroy's team-mates then, have adopted direct play tactics.

McIlroy has remained true to his upbringing on the United way of football. "It's the only way I know," he said. "I know Steve and Lou went the other way and it has paid off for them, but I can't get to grips with that. We like to try and win the right way. I'm not saying I'm right, but I know that supporters want to see good football."

There is proof in Macclesfield's attendances, which have increased to average more than 1,000 this season, and the side are also being successful, Saturday's 1-0 win at Welling taking the side to the fringe of the Conference's leading pack.

It is still a far cry from Old Trafford, but McIlroy insists on the same principles. "United have spent £20 million, but the money has been well spent," he said. "Blackburn are spending the same, but both clubs are spending it on people who can play, not on hammer throwers.

"I think you can be successful in the lower leagues too if you get people who can pass the ball — look at Crewe. Dario sells his best players and then replaces them, they are flying high, and they score a lot of goals.

"There's no Colchester or Darlington this year, so I think the Conference is wide open. The Southern sides are favourites because they have got money but, if we get something together, it is wide open."

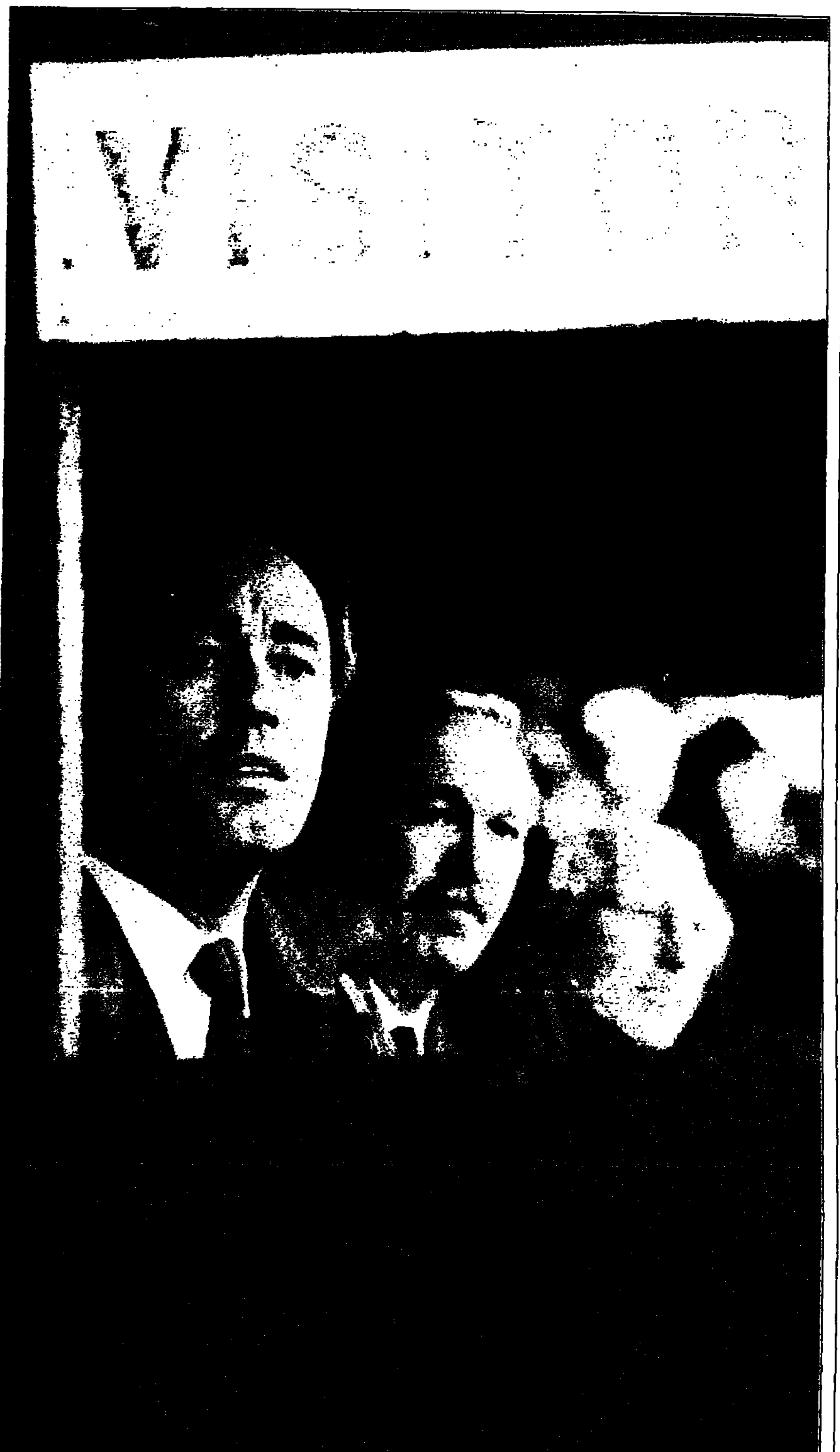
Money is tight, something he knew when he arrived, but having acted as hosts to Chester, Macclesfield at least have a ground virtually meeting Football League standards. "The pitch is right, the facilities behind the scenes are right, it's the best set-up I've been at without a doubt, it is geared for the League," McIlroy said.

He began his managerial career at Northwich Victoria, where controversy over the sale of the ground proved an extra burden for a new manager who was still coming to terms with the job.

"At Northwich I was maybe asking the players to do things which they couldn't," he said, a problem more than one outstanding talent has had to come to terms with when moving down the ladder to begin as a manager. "I've had to realise that players are wworking five days a week, and I get them only two or three times a week, and I'm now saying 'unlucky, try again', rather than expecting too much."

His side is repaying the approach, with the full backs, Shepherd and Bimson, attracting League scouts, and one of his signings, Carl Alford, scoring regularly. "It is great when you see players coming in from other clubs and enjoying their football," McIlroy said. "When you can see on their faces after a game that they've enjoyed it, it is very pleasing."

Those words could have come from Sir Matt Busby.



McIlroy shows the strains of management as he watches from the dugout. Photograph: James Morgan

Spurs to report Fashanu incident to FA

By a Correspondent

TOTTENHAM Hotspur are to make an official complaint to the Football Association over the John Fashanu challenge that has left Gary Mabbutt's career in the balance. Mabbutt fractured his skull following an aerial challenge with Fashanu in the FA Carling Premiership 1-1 draw at White Hart Lane last Wednesday.

Tottenham announced on Friday that they would not pursue the matter at the request of their injured captain. However, their manager, Osvaldo Ardiles, changed his mind last night and said that his complaint had Mabbutt's full backing.

Ardiles said: "We are reporting the incident to the FA saying it was a dangerous challenge and we want them to investigate the matter. We have supplied them with video evidence and it's something we feel very strongly about.

"Over the weekend we talked to a lot of people in football and they are all behind us in this matter. We had two courses of action open to us. We could have let it go and waited for the next incident like this to happen. Or we could take action to try to stop it happening again.

"I believe we have to highlight this kind of incident because we never want to see it happen again on a football pitch. The use of elbows in English football must be completely eradicated. I don't want to suggest a punishment, but something has to be done.

"As Tottenham manager I have the responsibility and power to decide whether this goes before the FA and I have Gary's full agreement on this matter. He is, without doubt, very upset about it.

"There is a danger that this injury could finish Gary's career. Knowing him as I do, I believe it won't because if anyone can come back then it's him.

"John Uzzell's career was finished by an elbow and this is the worst injury I've ever seen. Nobody deserves to have an injury such as this.

"It's about time something is done about it and I think the PFA are the best body to issue clear guidelines in respect of this kind of incident."

Graham Taylor yesterday rejected the opportunity of an immediate return to domestic management as Terry Cooper's successor at Birmingham City. The offer to the former England manager came only seven days after his resignation at Lancaster Gate following his failure to qualify for next year's World Cup finals in the United States.

Cooper, who resigned as Birmingham's manager on Monday, recommended Taylor to the club's owner, David Sullivan, as his replacement. Taylor has also been linked with Wolverhampton Wanderers.

Sullivan says he hopes to make an appointment at St Andrew's by the end of next week. Among the names being considered are Bryan Robson, Trevor Francis (Sheffield Wednesday), Bruce Rioch (Bolton Wanderers), Barry Fry (Southend United), Liam Brady and Peter Reid.

Nevin at home on football's radical wing

The players' union has a fresh approach under a new chairman, **Peter Ball** reports

PAT Nevin, who was elected chairman of the Professional Footballers' Association on Monday, may not be the brightest player to hold that post but he is in the front rank. As befits a son of the Clyde, he is the most radical voice the PFA has had since Jimmy Hill in the Sixties or, possibly, Jimmy Guthrie in the Forties.

Fittingly, to coincide with Nevin's election, the PFA announced its most far-reaching move into centre stage in the game, an investigation into the coaching at all levels. The Football Association's failure to involve the PFA in its own restructuring of coaching and education at a time when its long-ball dogma is losing credibility provoked a response.

Such respected coaching establishment figures as Terry Venables, Don Howe, John Cartwright and Dave Sexton have already promised their full co-operation. "We are not squaring up for a fight, but we have tried very, very hard to work with the FA for a long time now, and been rebuffed on so many occasions on so many different issues," Nevin said. "We feel we would be letting down the country, and letting down the game if we did not take a stand."

With Nevin sitting alongside Gordon Taylor, the PFA chief executive, the players have an articulate advocacy that the other bodies in football, and particularly the FA, can not rival.

"I don't have my own programme, I told the delegates that I saw myself as spokesperson for their ideas," Nevin said yesterday before Tranmere's Coca-Cola Cup match with Oldham. An engaging character, Nevin is likely to fill his role successfully; as well as being persuasive, there is a steely core to his personality.

That has shown in his football. In his early days, when he was the idol of the Stamford Bridge crowd, he had his doubters in the professional game. The supporters had no such doubts. Nevin, with his artistry and undernourished street-kid appearance, was the ideal hero to those reared on Charlie Cooke.

With his hip persona, luminous intelligence, taste for the outer reaches of rock at a time when many footballers were still listening to Andy Williams, and open avowal of socialist principles, Nevin was the music papers' favourite footballer, the perfect player for London, SW6. Typically, he lived in Kensington, when most of his team-mates preferred the Surrey stockbroker belt.

But John Neal was replaced as manager and values changed. "Dribbling has been discouraged in my game since my second or third year as a professional," Nevin said, although he tempers criticism of his managers' pragmatism by adding, "the last skill a dribbler ever learns is when to release the ball."

Nevin: persuasive

Chelsea declined and in 1988 he moved on to Everton, where he had some wasted years, and appeared to be fading from the scene — another Scottish player of flickering skills, but little real impact.

It is an image he rejects, just as he does the picture of the waif not able to cope with the hurly-burly of English football. "The physical side is not even a mild concern," he said. "I've been pigeon-holed in this way, but at long-distance running I'm one of the best and I do weights every day."

The move to Tranmere has made the point for him. "It was a calculated risk if you like, to go and get myself in the limelight with the [1992] European championships coming up, so I went on loan for a month and it worked," Nevin said.

"I enjoyed it so much here. I got really fit, they are such nice people, the games were great. We had 14,000 for a match against Derby and it was a great atmosphere, the type of football was right for me. I had such a good time, and I went on and played in the European championships. So when they came in for me to move permanently, I didn't fear doing it because I knew the quality of the players here."

He has also begun to score goals with regularity, with four this year for Scotland, and 15 last season for Tranmere, second only to the prolific John Aldridge. This season he has set the pace.

"My attitude towards scoring changed at Everton," he said. "Someone said 'You want to get double figures'. I thought, 'but I'm making a lot, does it matter who scores them?' which was a bit naive. And my father got on to me because I'd always been a centre-forward at school, it's where I like playing, and he said, 'You need to score goals and take responsibility'."

Nevin put his mind to it, practising his finishing and picking up tips about when to arrive in the box from Aldridge and his close friend from Scotland trips, Brian McClair. Nowadays, as his move to the chair of the PFA indicates, there is no doubt about his readiness to take responsibility.

Pedersen's move to Oldham settled

TORE Pedersen, the Norwegian international, is expected to join Oldham Athletic today after settling details of his £500,000 transfer to the premier division club. Pedersen, 24, was given until yesterday by Joe Royle, the Oldham manager, after his move from SK Brann was delayed.

The Norwegian football association refused to clear the deal after Brann and IFK Gothenburg, of Sweden, disputed the transfer. IFK, one of the defender's former clubs, claimed it was owed part of Oldham's transfer fee. Oldham paved the way for another move yesterday when they agreed to pay £500,000 to Bradford, of the second division, for the striker, Sean McCarthy, who is discussing personal terms.

Anthony Smith, the Sunderland defender, has joined Oxford United on a month's loan.

Porto sure they can secure point

AC MILAN are not the force of last season, according to Tomislav Ivic, the Porto coach, whose side expects to leave northern Italy today with at least one European champions league point.

Ivic said yesterday: "We're going to the San Siro to win but a draw might be enough for us." The game has been brought forward a week so Milan can travel to Tokyo for the Intercontinental Cup final against São Paulo, of Brazil, on December 12.

Ivic already has one significant Milan scalp on his belt, having been the Marseilles coach when the French side eliminated Milan from the European Cup in a controversial tie two years ago.

Having drawn 1-1 at the San Siro stadium, Milan were losing the return leg 1-0 when they left the pitch in second-half injury time, following a floodlight failure. The walkout resulted in a one-year European ban.

Ivic, who watched Milan's 0-0 league draw with Parma on Sunday, believes they are less imposing. "With Rijkaard, Gullit and Van Basten, Milan had a different technical and athletic potential," he said. "They could use all sorts of schemes in a very fluid manner. "Now, however, Milan have to try to make the most of the pace of players like Papin while against Parma, they played for a draw and with a five-man defence."

Twickenham to be floodlit when capacity increases to 75,000 in 1995

Bath draw Wasps in Pilkington Cup

By John Hopkins

IT COULD hardly have worked out better if it had been fiddled, which it was not, of course, because it was done at the Rugby Football Union's (RFU) headquarters at Twickenham and transmitted live on BBC Radio 5. Moments after midday yesterday, the draw for the fourth round of the Pilkington Cup pitted Bath, England's pre-eminent club, against Wasps. The game is a repeat of the finals of 1986 and 1987, when Bath won 25-17 and 19-12. Bath have the home advantage for the game on December 18.

By any yardstick, Bath are the team to beat. They have been in seven of the last ten finals and won them all. Last season, they crashed in the third round at Waterloo, losing by one point in a result that took some believing. Wasps, who have never won the cup, were edged out of the final last season only when Harlequins beat them 14-13 in a semi-final at Sudbury.

The Bath against Wasps match was greeted with a sharp intake of break by the rugby officials who were present at Twickenham. But although it was the pick of the round, it was by no means the only one of the 16 matches to be of interest.

Otley will play Wharfedale in a game that will be just as important to the Yorkshire rivals, who are less than 20 miles apart, as Bath against Wasps. Wharfedale, where John Spencer, the former England centre, is club president, is the only club with a 100 per cent record in this competition. It has played three matches and won them all.

Only four other teams have met in the cup before — Rosslyn Park and Coventry, and Nottingham and Gloucester. Moseley will play Winnington Park, who compete in the fifth division north of the Courage Clubs Championship and are the club where Dewi Morris, the England and British Isles scrum half, played before moving to Liverpool St Helens then Orrell.

Bridgwater and Albion, who play league rugby in South West II and qualified as winners of the Somerset Cup, have to concede six division of expertise when they visit Newcastle Gosforth, while Henley, of South West I, who put out North Walsham 17-3 at the weekend, will find things a lot harder at Bristol.

It was confirmed, also, that a new West Stand is to be built at Twickenham costing £25.5 million and providing seating for 25,000 spectators. The new stand will be a continuation of the North and East Stands, providing a horseshoe-shaped structure running from the southwest to the southeast corner of the famous ground. It will be equipped with floodlights and will include a national rugby fitness centre.

Work on the new stand will start in May 1994, immediately after the finals of the Middlesex sevens on May 14, and for a while the capacity of the ground will be reduced. When it is opened, in October 1995, the capacity will be 75,000. There are no plans to alter the South Stand, which was built 12 years ago.

"There were three reasons why we decided to push on with the redevelopment now," Tony Hallett, the RFU ground development officer, explained.

"The first was the popularity of the game," he said. "The second was the proven track record and the favourable prices currently of the construction industry. The third was that the price of borrowing money now is about as good as you can get."

Building a new West Stand presents a more complex challenge than did the replacing of the East Stand, the new model of which was unveiled for the tumultuous match against the All Blacks last Saturday. The complexities involved explain why the new stand will cost nearly £26 million and the East Stand cost barely half as much.

The West Stand will provide six dressing rooms, a suite of committee rooms, function rooms, restaurants, bars and hospitality boxes.

One thing that will not change is the baths in the players' changing rooms which, as best as can be ascertained, were installed in the mid-1930s. They are long, deep, comfortable and much loved. They will, however, be shot-blasted and re-enamelled — all part of Twickenham's new image.

FOURTH ROUND

Bath v Wasps
Blackheath v Leicester
Bristol v Henley
Harlequins v Basingstoke
Havant v London Irish
London Scottish v Fylde
Moseley v Winnington Park
Newcastle Gosforth v Bridgwater and Albion
Northampton v Waterloo
Nottingham v Gloucester
Orrell v Stourbridge
Otley v Wharfedale
Rosslyn Park v Coventry
Rugby v Sale
Saracens v Birmingham Solihull
Wakefield v West Hartlepool
Ties to be played on December 18

World awaits new chapter in Chinese success story

Craig Lord reports on the emerging group of women swimmers expected to dominate the world short-course championships

The swimming community waits nervously this week for history to repeat itself. Last night, a group of women were due to arrive in Palma de Majorca from China with the spectre of East Germany in tow and a host of world titles in their sights.

All are ranked among the top seven in the world, long-course, though a study of the Chinese manual from the Olympics of 15 months ago says little about them. Most of them were not there, including Dai Guohong, who is fastest in the world this year at 100 and 200 metres breaststroke and 400 metres medley.

At Belgrade in 1973, during the inaugural world long-course championships, the sport witnessed a phenomenal improvement in standards that left East German women with 11 out of 15 world titles, six in world-record times. A 16-year dominance had begun.

The inaugural world short-course championships, starting in Palma tomorrow, have attracted a smaller entry than is usual for the long-course summer equivalent. China is sending ten of its brightest emerging talents. Chinese women lead the world long-course rankings in more than half of all events. While Chinese women occupy 96 out of a possible 325 top-25 places in 13 events, Chinese men account for only 11.

A year after Chinese women collected four Olympic titles and five silver medals, performances at the National Games of China in Peking gave rise to a remarkable growth in the numbers ranked among the fastest 25 swimmers in the world in 13 individual events.

Not since the days of Ender and Otto have so many swimmers from a single nation occupied so many places in the top ten. In the 50 metres freestyle, Wenyi Yang, the world record-holder, leads six Chinese, with a slowest time of 25.49sec, faster than that swum by any East German. The best non-Chinese is seventh in the world — Franziska van Almsick, a former East German. In ten out of 13 events, Chinese account for three or more of the fastest times among the top ten in the world. In the 400 metres freestyle, China had nobody among the best 25 in the world last year. This year, it has eight.

Beyond individual races, China has also made clear that its relative under-performance in team races may be about to end. Three club teams rank alongside national teams in the world rankings, all three in the 4 x 100 metres medley having swum times considerably faster than the British record.

Given that rapid long-course progression, world short-course records are under threat in Palma from the Chinese, though with Germany and the United States under-strength, China will have to wait until the world long-course championships in Rome in September to achieve the dominance it has sought since first importing East German coaches in 1985.

Since 1990, suggestions that East Germany also exported its drugs-assisted sports development programme have grown in number and have come from increasingly authoritative sources.

But China has denied the existence of a drugs programme, pointing instead to their use of tough, scientific training regimes and special diets, including the now famous varieties of fungus and turtle soup. Zhuang Yong, the Olympic champion at 100 metres freestyle, put her success down to an electronic device that used shock waves to help develop muscle.

That Chinese women swimmers are capable of extraordinarily intense levels of training is backed up by the few western coaches who have had direct contact with China. Dave Haller, the British team performance director last summer, witnessed the Chinese progression from the beginning when he was coach to Hong Kong for a decade, until 1991.

Haller said: "Within the three years, from 1985 to 88, they produced four Olympic medals from nothing. Three of the girls swam in March 1990 in my pool in Hong Kong. They were doing things I didn't think were possible. A two-hour gym session was followed by a two-hour swim in the morning and they were coming back for the same six hours later. The intensity of the gym work was immense."

In January 1991, Chinese women won four world titles at Perth, Australia, in the days that followed direct accusations of Chinese drug-taking by Canadian team officials.

Then David Gerrard, a doctor from New Zealand and member of the medical committee of Fina, the sport's governing body, said at a world cup event last year: "I see too many indications that the Chinese women are using something. The tell-tale signs of steroid and human growth hormone are there to see.

He pointed to "the very deep and booming voices that many of them have, the acne and the jutting jaw lines which were features that were clearly documented in former East German swimmers".

BOB THOMAS

Zhuang Yong, the Olympic 100 metres freestyle gold medal-winner in Barcelona

Dolphin's progress slowed by damage

By Barry Pickthall

MATT Humphries and his young Whitbread Round the World Race yacht crew are heading for the Kerguelen Islands, midway across the Indian Ocean, to make repairs after their 60-foot British entry, Dolphin & Youth Challenge, suffered rudder problems yesterday.

The crew had been making impressive gains on the fleet, in particular cutting more than 60 miles off the lead of the sixth-placed Italian yacht, Brooksfield, after averaging more than 16 knots early yesterday. "The pin which holds the rudder to the hull came loose causing more than 5mm of play," Humphries said.

"Chris Ramsden, our boatbuilder, has been lying over the stern trying to tighten up all the fittings, while the boat is doing 15 knots." When that failed, Humphries and his crew were left with no alternative but to plan a stop 600 miles ahead of them to make more substantial repairs.

Lawrie Smith's European entry, Intrum Justitia, continues to lead the fleet, having established a 26-mile lead over the overall leader, Grant Dalton in New Zealand Endeavour, and a 60-mile advantage over Chris Dickson's second placed 60-footer, Tokio.

Dalton, who reported late on Sunday that his ketch-rigged maxi had lost the top ten metres from her mizzenmast, said that his sailmakers had been working non-stop for 36 hours to recut sails for the reduced rig while the rest of the crew rigged temporary halyards.

Both Endeavour and Tokio turned south yesterday in an attempt to pick up the favourable winds enjoyed by Intrum and Pierre Fehlmann's maxi, Merit Cup, which has retaken third place overall. Also to alter course in search of wind was Yamaha, now sailing parallel to Merit but further north. Winston, the American 60-footer skippered by Brad Butterworth, which was heading north-east, has also altered course.

Ross Field, the Yamaha skipper, is happy to be in fifth position overall and third among the Whitbread 60 fleet. "This is turning out to be a very hard leg and a lot could still change but we are satisfied with our position," Field said. "There is just under 3,000 miles to run to Fremantle and a lot could still change."

SPORT IN BRIEF

Akinwande fancies putting on the style

THERE was a time when British heavyweight boxers were always in the spotlight for one reason or another (Srikumar Sen writes). Their world title chances provided the press with vicarious pleasure or with cynical amusement. Now that we have two world champions, Lennox Lewis (World Boxing Council) and Michael Bentt (World Boxing Organisation), all that has changed. Experts tend to look on lesser British heavyweights as little more than pretenders.

One man who intends to prove them wrong tonight is Henry Akinwande, who holds the Commonwealth and European titles but is not well known outside the boxing fraternity. He is defending his European title at the Albert Hall against Baggio Chianese, of Italy. Akinwande, unbeaten in 22 contests, is 6ft 7in tall, skinny and 16 stone, while Chianese, with 13 wins in 15 contests, is thick set, weighs 18 stone and is not greatly endowed with boxing skills. Akinwande's technical superiority should allow him to put on the style and win on points.

Reilly's strong team

RUGBY LEAGUE: Although injuries have denied Malcolm Reilly, the Great Britain coach, several first choices, his team for the under-21 international against France at Warrington tomorrow should claim victory (Christopher Irvine writes). Mark Perrett and Nathan Sykes are formidable new additions to the pack, but the absence of Andrew Farrell and Dean Busby means that Steve McCurrie, the Widnes hooker, must play at loose forward.

The inclusion of Gareth Stephens and Graham Holroyd has left Leeds problems at half back for the Stones Bitter Championship game at Widnes tonight. Jason Donohue plays at scrum half, but injuries to Craig Innes and Garry Schofield have restricted the options outside him.

GREAT BRITAIN UNDER-21: L Penny (Warrington), D Powell (Bradford Northern), R Goddard (Wakefield Trinity), R Danby (Hull), I Harris (Warrington); F Maloney (Featherstone Rovers), G Stephens (Leeds); N Sykes (Castleford), R Chamberlain (Hull Kingston Rovers), M Cassidy (Wigan), B Mather (Wigan), M Perrett (Halifax), S McCurrie (Widnes, captain). Substitutes: G Holroyd (Leeds), J Cassidy (Hull), S Martin (Leigh), L Harland (Halifax).

Barbarians lose two

RUGBY UNION: Injury has forced Gavin Hastings and Tony Underwood to withdraw from the Barbarians team to face New Zealand at Cardiff on Saturday. Hastings, the British Isles and Scotland captain, has failed to recover from a hand injury sustained during Scotland's defeat by New Zealand ten days ago. Underwood injured an ankle during the memorable England victory over New Zealand at Twickenham on Saturday. Tony Clement, the Wales full back, is promoted from the replacements to take over from Hastings and Underwood's place on the wing goes to Tony Stanger, of Scotland.

Norman tired out

GOLF: Greg Norman, the Open champion, and Payne Stewart, the former US Open winner, have withdrawn from the world championship in Jamaica next month. Australia's world No 2 and the twelfth-ranked Stewart are replaced by Larry Mize, the Masters champion, and Costantino Rocca, Italy's first Ryder Cup international. Norman withdrew because he is tired, while Stewart, invited as one of the top three players in the world rankings not to have previously qualified, had already arranged to attend a wedding. Norman said: "I've crossed the Pacific Ocean five times in the past six weeks and I'm exhausted."

Agassi fit for Australia

TENNIS: Andre Agassi, of the United States, will play in the Australian Open for the first time next year. Agassi, the 1992 Wimbledon champion, was forced to withdraw from this year's Australian Open after suffering acute tonsillitis. Jim Reid, the tournament general manager, said: "Australian tennis fans have been waiting a long time to see Agassi's flair in this grand slam event." The tournament in Melbourne, from January 17 to 30, will also feature the reigning Wimbledon and French Open champion, Pete Sampras, of the United States, as well as Jim Courier and Monica Seles, the 1992 Australian Open singles champions.

TODAY'S FIXTURES

FOOTBALL

Kick-off 7.30 unless stated

FA Cup
First round replays
Doncaster v Shrewsbury

Coca-Cola Cup
Fourth round
Liverpool v Wimbledon (7.45)
Nottingham Forest v Manchester City
Queens Park Rangers v Sheffield Wednesday (8.0)
Tottenham Hotspur v Blackburn Rovers (7.45)

Autoglass Trophy
Second round
Bristol Rovers v Fulham (8.0)
Reading v Northampton (7.45)
Scarborough v Scunthorpe

Scottish League
Premier division
Raith v Dundee
Rangers v Aberdeen (7.45)
Second division
Queen of the South v Meadowbank

FA TROPHY: Third qualifying round: Consett v Billingham Synthonia, Bishop Auckland v Murton. Replays: Guisborough Town v Colwyn Bay; Harrow Borough v Wealdstone; Northallerton Town v Goole Town.
ISTHMIAN LEAGUE: Carlsberg Trophy: First round: Collier Row v Rainham Town; Horsham v Feltham and Hounslow Borough. Carlsberg Cup: First round: Chesham v St Albans.
NORTHERN PREMIER LEAGUE: Premier division: Winsford v Accrington Stanley.
CARLING NORTH-WEST COUNTIES LEAGUE: First division: Chadderton v Clitheroe.
BEAZER HOMES LEAGUE: Premier division: Atherstone v Halesowen, Solihull v Burton. Dr Martens Cup: Second round replay: Weymouth v Salisbury City.
GREAT MILLS LEAGUE: Premier division: Minehead v Tiverton Town. Les Phillips Cup: Liskeard Athletic v Ilfracombe Town.
ALLBRIGHT BITTER WELSH CUP: Third round replay: Merthyr v Swansea.
KONICA LEAGUE OF WALES CUP: Second round, second leg: Inter Cardiff v Ebbw Vale. Third round, first leg: Llanelli v Afan Lido
PONTINS CENTRAL LEAGUE: First division (7.0): Wolverhampton v Sunderland; York v Everton. Second division: Barnsley v Rotherham; Huddersfield v Blackpool; Oldham v Stoke (7.0); Preston v Tranmere (7.0); Scunthorpe v Port Vale (7.0)
NEVILLE OVENDEN COMBINATION: First division: Portsmouth v Millwall (7.0), Southampton v Brighton; Swindon v Bristol City; Wimbledon v Crystal Palace (2.0). League Cup: Cheltenham v Birmingham, Plymouth v Bournemouth; Swansea v Cardiff (2.0); Yeovil v Exeter (7.45)
FA YOUTH CUP: Second round: Dulwich Hamlet v Crystal Palace.

RUGBY UNION

Heineken League
First division
Cardiff v Pontypridd
Dunvant v Swansea (7.0)
Llanelli v Bridgend (7.0)
Cross Keys v Newport (7.0)

Insurance Corporation League
First division
Wanderers v Blackrock College (7.0)

OTHER SPORT

BASKETBALL: Budweiser League: Manchester Giants v Derby Bucks.

WORD-WATCHING

Answers from page 52

VESPIARY
(c) A wasps' nest, from the Latin *vespa* a wasp, by analogy with *apiary*: "We have never met with a single vespiary in any situation likely to have been frequented by moles." "May your word factory by day be as a humming hive, and in the evenings your house a vespiary."

XANTHOPSIA
(a) An affection of the eyes in which everything appears yellow, the condition of someone who has bought dark glasses from the special offers tray at a motorway service station, from the Greek *xanthos* yellow + *opsis* appearance or sight: "Xanthopsia, or yellow vision, sometimes occurs with jaundice."

AXIOPISTY
(c) The quality that makes something believable, trustworthiness, from the Greek *axios* worthy + *pistos* to be trusted: "Of course he's a charming man, Amanda, but the trouble with him is that he completely lacks axiopisty."

BROMIDROSIS
(b) Smelly perspiration, *osmidrosis* means the same unfortunate quality, from the Greek *brōmos* stench + *hidrōs* sweat: "Bromidrosis is a functional disorder of the sweat glands characterised by more or less sweating and an offensive odour." "Must I sit with one of the Jones boys, mother? What a dilemma. It's like being caught between Osmi and Bromi. Nothing, mum — just a dull classical allusion."

SOLUTION TO WINNING CHESS MOVE

1 Bc5! is overwhelming. If 1 ... Rf7 (to stop 2 Qe7 mate) then 2 Qg8+ Kd7 3 Qxf7+ and wins.

FOR THE RECORD

FOOTBALL

SCOTTISH LEAGUE: First division: Postponed: Dunfermline v Ayr.
NEVILLE OVENDEN COMBINATION: First division: West Ham 1, Chelsea 2.

Late results on Monday

FA CARLING PREMIERSHIP: Southampton 0, West Ham 2
FA CUP: First round replay: Marine 4, Stalybridge 4 (aet; 3-3 at 90min; Stalybridge win 4-2 on penalties, away to Carlisle in second round).
NEVILLE OVENDEN COMBINATION: First division: Oxford 4, Luton 0; Wimbledon 0, Brighton 1. Postponed: Watford v Charlton. Second division: Hereford 3, Swansea 2.
PONTINS LEAGUE: First division: Leicester 3, Coventry 1. Second division: Manchester City 2, Middlesbrough 0; Mansfield 2, Hull 1.
FA TROPHY: Third qualifying round replays: Emley 2, Barrow 1; Hednesford 1, Redditch 0.
FA YOUTH CUP: Second round: Colchester United 2, Arsenal 3, Ipswich 3, Queens Park Rangers 1
FA VASE: Second round replays: Evesham 1, Cogenhoe 2; Diss 2, Tring 0

AMERICAN FOOTBALL

NATIONAL LEAGUE (NFL): San Diego Chargers 31, Indianapolis Colts 0.

ATHLETICS

MANILA: Asian championships: Men: 3,000m steeplechase: 1, S Mouzaaze (S Arabia), 8min 32.0sec. 2, Mohammed Amer Ahmed (UAE), 8:39.02; 3, S Hezave (Iran), 8.43.29. Women: Discus: 1, Cao Qi (China), 61 58m; 2, Zhao Yong Hua (China), 57.78m; 3, I Kitamori (Japan), 50.40m.

BADMINTON

WORLD RANKINGS: Men: 1, T Stuer-Lauridsen (Den), 1,935pts; 2, H Arbi (Indo), 1,770; 3, P-E Hoyer-Larsen (Den), 1,625. 4, J Suprianto (Indo), 1,540; 5, A Wiranata (Indo), 1,435; 6, A B Kusuma (Indo), 1,045, 7, H Susanto (Indo), 1,020. 8, S Kukasemkij (Thai), 770; 9, Kim Hak-kyun (S Kor), 760; 10, F Permadi (Indo), 755. Women: 1, S Susanti (Indo), 2,080; 2, Ye Zhaoying (China), 1,930; 3, Lim Xiaoqing (Swe), 1,405; 4, C Magnusson (Swe), 1,010; 5, C Martin (Den), 990; 6, Y Santoso (Indo), 980; equal 7, Bang Soo-hyun (S Kor) and M Timur (Indo), 880; 9, S Jaroensiri (Thai), 845, 10, Z Abdullah (Sing), 765.

BASKETBALL

NATIONAL ASSOCIATION (NBA): San Antonio 102 Milwaukee 95, Los Angeles Clippers 118 New Jersey 94; Indiana 105 Sacramento 103

CYCLING

ZURICH: Six-day race (after first day): 1, P Pieters (Holl) and C Wolf (Ger), 38pts, 2, U Freuler and W Stutz (Switz), 25, 3, A Baffi and P Bincoletto (It), 23; 4, B Risi and K Betschart (Switz), 21; 5, E de Wilde (Bel) and J Veggerby (Den), 12.

CYCLO-CROSS

GREATER LONDON CHAMPIONSHIP (Addington Hills, Surrey, 24km): 1, S Douce (PCA), 1hr 7min 58sec; 2, B Clarke (Raleigh RT), at 16sec; 3, D Baker (Raleigh RT), at 1min 4sec.

GOLF

WORLD RANKINGS: 1, N Faldo (GB), 21.27 pts avge; 2, G Norman (Aus), 19.32; 3, B Langer (Ger), 17 12; 4, F Couples (US), 15.11, 5, N Price (Zim), 14.91; 6, P Azinger (US), 14 87; 7, I Woosnam (GB), 12.04. 8, T Kite (US), 10.33. 9, D Frost (SA), 10 04, 10, D Love (US), 9 91

ICE HOCKEY

NATIONAL LEAGUE (NHL): Hartford 4 Ottawa 2, Buffalo 3 Toronto 0; Dallas 6 Edmonton 5 (OT). Vancouver 2 Chicago 1 (OT).

MOTOR RALLYING

NIGHT OWL RALLY (Wales): 1, E Morris, Ford Escort, 21min 47sec; 2, T Davies, VW Golf, 26.51; 3, A Williams, Talbot Sunbeam 30:07.
STAGES RALLIES: Dale (Southwest Wales). 1, R Llewellin, Escort, 42min 37sec; 2, R Hall, Escort, 42:49, 3, R Dennis, MG Metro 6R4, 42:53. Grizedale (Cumbria): 1, J Roberts, Sierra Cosworth, 46:01ecs; 2, A Tough, Escort Mexico, 49.03; 3, I Wilton, Opel Kadett, 49.20.

RUGBY UNION

REPRESENTATIVE MATCH: Postponed: Cornwall v Devon.
SCHOOLS MATCHES: Bedford 14, Haileybury 33; Exeter 22, Wellington 5; St John's, Leatherhead, 22, KCS Wimbledon 6; Epsom 20, Whitgift 15; Clifton 15, Sherborne 15, St Joseph's 34, Felsted 0; Taunton 0, Blundell's 30. Tour match: Sevenoaks 15, Townsville GS, Queensland, 10.

RACKETS

QUEEN'S CLUB, London: Lacoste British amateur championship: Second round: J Spurling bt G Hewitt, 15-1, 15-0, 15-0, T Cockroft bt M Henman, 15-1, 15-0, 15-2; J Prenn bt J Nance, 16-13, 15-1, 15-2.

REAL TENNIS

QUEEN'S CLUB: British Land British Open doubles championship: Final: M Gooding and C Bray bt J Snow and N Wood, 6-3, 6-3, 6-2.

TENNIS

LTA WINTER INDOOR COUNTY CHAMPIONSHIPS: Men: Group 1 (Telford): Lancashire 5, Yorkshire 1; Surrey 5, Middlesex 2. Champions: Surrey. Relegated: Lancashire and Yorkshire Group 2A (Nottingham): Hampshire and IoW 5, Essex 4; Buckinghamshire 6, Hertfordshire 3. Promoted: Hampshire and IoW. Relegated: Hertfordshire. Group 2B (Middlesbrough): Durham and Cleveland 5, Kent 3; Devon 5, Leicestershire 3. Promoted: Durham and Cleveland. Relegated: Kent. Group 3A (Bodmin): Warwickshire 9, Oxfordshire 0; Somerset 6, Norfolk 3. Promoted: Warwickshire. Relegated: Norfolk. Group 3B (Coventry). Berkshire 9, Staffordshire 0: Nottinghamshire 7, Derbyshire 2. Promoted: Berkshire. Relegated: Staffordshire. Group 4A (Wrexham). North Wales 5, Avon 4. Dorset 5, Cheshire 4. Promoted: Dorset. Relegated: Avon Group 4B (Swansea): South Wales 7, East Scotland 2; Sussex 7, Cambridgeshire 2. Promoted: Sussex. Relegated: East Scotland. Group 5A (Bramhall) Lincolnshire 5, Northamptonshire 4; Herefordshire and Worcestershire 8, North Scotland 1. Promoted: Hereford and Worcestershire. Relegated: North Scotland. Group 5B (Sunderland): West Scotland 8, Northumberland 1; Wiltshire 5, Gloucestershire. Promoted: West Scotland. Relegated: Gloucestershire. Group 6A (Swindon). Cornwall 7, Shropshire 2, Cumbria 7, South Scotland 2. Promoted: Cornwall. Group 6B (Arfon): Bedfordshire 8, Channel Isles 1, Suffolk 7, IoM 2. Promoted: Suffolk.

Women: Group 1 (Telford): Lancashire 5, Surrey 4. Middlesex 5, Hertfordshire 1. Champions. Middlesex. Relegated: Lancashire and Surrey. Group 2A (Eastbourne): Essex 6, Staffordshire 3; Sussex 7, Buckinghamshire 2. Promoted: Essex. Relegated: Staffordshire. Group 2B (Norwich): Cambridgeshire 7, Norfolk 2, Yorkshire 5, Cheshire 4. Promoted: Yorkshire. Relegated: Norfolk. Group 3A (Bushey). Leicestershire 6, Hampshire and IoW 3, Nottinghamshire 5, Lincolnshire 4. Promoted: Leicestershire. Relegated: Lincolnshire. Group 3B (Warrington). Warwickshire 5, Oxon 4; Devon 5, North Scotland 4. Promoted: Warwickshire. Relegated: North Scotland. Group 4A (Newcastle). Northumberland 7, North Wales 2, Durham and Cleveland 5. Wiltshire 4. Promoted: Northumberland. Relegated: Wiltshire. Group 4B (Woking). Derbyshire 7, South Wales 2: Kent 5, Avon 4. Promoted: Derbyshire. Relegated: South Wales. Group 5A (Welwyn): Berkshire 6, Bedfordshire 3: Shropshire 5, Hereford and Worcester 4. Promoted: Berkshire. Relegated: Bedfordshire. Group 5B (Stirling): West Scotland 5, Gloucestershire 4; Dorset 5, East Scotland 4. Promoted: Dorset. Relegated: Gloucestershire Group 6A (Corby) Cumbria 5, Channel Isles 4: Northamptonshire 9, Channel Isles 0; Suffolk 7, Cumbria 2. Promoted: Northamptonshire. Group 6B (Wigan): Somerset 7, South Scotland 2, Cornwall 8, IoM 1. Promoted: Somerset.

VAUXHALL INDOOR TROPHY: Women: second round: Ilkley 2, Thongsbridge 1; Harpenden 1, Connaught 2. Deal 3, Maidstone 0; Alverstoke Gosport 3, West Hants Bournemouth 0, Match Point Southampton 1, Delta Swindon 2.

ATP: Final rankings: 1, P Sampras (US), 4,128pts, 2, M Stich (Ger), 3,445; 3, J Courier (US), 3,390. 4, S Bruguera (Sp), 2,590. 5, S Edberg (Swe), 2,571; 6, A Medvedev (Ukr), 2,415; 7, G Ivanisevic (Cro), 2,186, 8, M Chang (US), 2,154; 9, T Muster (Austria), 2,033; 10, C Pioline (Fr), 2,012; 11, B Becker (Ger), 1,958; 12, P Korda (Cz), 1,742; 13, T Martin (US), 1,695; 14, M Gustafsson (Swe), 1,586; 15, R Krajicek (Holl), 1,572; 16 M Rosset (Switz), 1,485; 17, K Novacek (Cz), 1,412; 18, A Volkov (Rus), 1,382; 19, I Lendl (US), 1,382; 20, A Boetsch (Fr), 1,344. Money-winners: 1, Sampras, $3,648,075; 2, Courier, $3,584,321, 3, Stich, $2,936,521; 4, Edberg, $2,309,509; 5, Ivanisevic, $1,818,897; 6, Becker, $1,765,839; 7, Chang, $1,743,524; 8, Korda, $1,517,229; 9, Bruguera, $1,447,484; 10, Medvedev, $1,301,143; 11, Lendl, $1,075,876; 12, Pioline, $841,239; 13, Muster, $805,066; 14, Krajicek, $729,753; 15, W Masur (Aus), $723,664; 16, M Woodforde (Aus), $712,682; 17, Novacek, $682,306; 18, P Haarhuis (Holl), $679,129; 19, W Ferreira (SA), $648,581; 20, Martin, $642,108.

VOLLEYBALL

TUNIS: Men's world championships: Semi-finals: Canada 3, France 1; Egypt 3, Tunisia 1.

YACHTING

WHITBREAD ROUND THE WORLD RACE (at 1400GMT, with miles to Fremantle): Whitbread 60 Class: 1, Intrum Justitia (L Smith, Eur), 2,621 miles; 2, Tokio (C Dickson, NZ), 2,679; 3, Yamaha (R Field, NZ), 2,710; 4, Galicia 93 Pescanova (J de la Gandara, Sp), 2,733; 5, Winston (B Butterworth, US), 2,736; 6 Brooksfield (G Maisto, It), 2,838; 7, Dolphin & Youth Challenge (M Humphries, GB), 2,858; 8, Women's Challenge (D Riley, US), 3,339; 9, Heiman Sahaidachny (E Platon, Ukr), 3,370; 10, Odessa (A Verba, Ukr), 3,595. Maxi class: 1, NZ Endeavour (G Dalton, NZ), 2,658; 2, Merit Cup (P Fehlmann, Switz), 2,687; 3, La Poste (D Malle, Fr), 2,781; 4, Uruguay Natural (G Vanzini [illegible]), 3,636

Dunlop profits in foreign climes

By Julian Muscat

JOHN Dunlop is poised to break the three-year stranglehold Paul Cole has exerted as Britain's leading trainer abroad. Following White Muzzle's abject failure in the Japan Cup in Tokyo on Sunday, Peter Chapple-Hyam, the colt's trainer, has missed his opportunity to overhaul Dunlop, whose 1993 foreign prize-money haul stands at £913,082.

Only Richard Hannon can now catch the Arundel trainer. The leading British trainer in France and Germany this season, Hannon will send Swing Low for the Hong Kong International Cup later this month, when a first or second placing would do the trick. Failing that, Dunlop will head the table he last topped in 1982. Only once in the last eight years has he failed to finish in the top three.

British trainers again landed some of Europe's biggest prizes in 1993, although their total earnings of £6,685,991, harvested from 15 different countries, is some way short of last year's bounty of £7,217,109. Record earnings abroad were assimilated in 1990, when, according to *International Racing Bureau* statistics, British raiders collected the princely sum of £8,613,467.

It is, perhaps, only fitting that Dunlop and Cole should continue to dominate the foreign earnings' table. As Cole pointed out: "John and I have been travelling our horses from day one, when we used to struggle to Ostend and Cagnes. Things have changed a great deal since then. Now everyone is having a crack as the prize-money is so good, especially in Italy."

A casual glance at Cole's seasonal record endorses the point, for the £541,862 earned by his 11 winners abroad marginally betters the £531,162 gathered by his 61 victories at home. "If you've got money coming in from all sources," he reasoned, "it extends an owner's lifetime in racing — or it eases the pain, I should say.

"It helps enormously to offset the low levels of prize-money in Britain, although it's no good going abroad without a decent horse these days as the standards in Italy and Germany have improved considerably in the last few years."

Cole still holds the seasonal record for earnings abroad at £1,341,456, established in 1990, when Snurge was a contributor through his gallant third in the Prix de l'Arc de Triomphe. Now a six-year-old, Snurge is a scant £151 away from Pebbles's landmark of £1,182,140 for a British-trained horse. The gallant ambassador remains in training next year, when he will surely overtake the former Clive Brittain-trained filly.

Brittain himself is a prolific plunderer away from Britain. He finished the season in fifth place and expects to maintain his rich pickings next year. He said: "I had over £700,000 last year and we've been through the £500,000 barrier for three or four years now.

"I try to keep up to date with the European form," he continued. "Garden Of Heaven and Sueboog look booked for regular trips, and I am sure I will find another big earner like Pebbles soon. It shows you how good she was that she still holds the earnings record."

Dunlop, for his part, has lost Alhijaz and Azzilfi, his two biggest foreign earners, but will inevitably mount another strong campaign in Europe next year. He finished the season with 24 victories and 36 places on the Continent. He was also the leading British trainer in Italy, where many of his patrons reside.

"The world is a small place — it has been for some time now," Dunlop's assistant, Markus Hosgood, said about the stable's regular forays. "Vintage Crop's Melbourne Cup victory was another breakthrough, and there's no place you can't get to anymore."

Hosgood also cited Japan's gradual relaxing of restrictions on overseas runners as the most lucrative hunting ground of the future. "That must be the next stop for all of us," he said.

Gallant Snurge stays in training next season to try and better the earnings record of Pebbles

All six winners

THUNDERER was in top form at Fontwell yesterday, selecting all six winners including Nahar (9-2). An accumulator (£1 stake) produced a profit of £513.

BRITISH TRAINERS ABROAD 1993

	Wins	Places	Prizes (£)	Principal earners
J Dunlop	24	36	913,082	Alhijaz, Azzilfi
R Hannon	11	17	861,722	Dana Springs, Right Win
P C-Hyam	3	11	791,446	White Muzzle, Turtle Island
P Cole	11	13	541,862	Bright Generation
C Brittain	3	9	519,418	User Friendly, Needle Gun
H Cecil	1	1	391,787	Commander In Chief
J Gosden	3	10	325,785	Muhtaram, Knifebox
L Cumani	6	8	282,423	Barathea, Only Royale
Ld Huntingdon	7	8	238,655	Enharmonic, Sharp Prod
B Hills	4	3	225,168	Nicer, Zimzalabim

Prize-money includes win and place. Places cover any horse to have won prize-money.
The table includes the results of races anywhere other than Great Britain.

Canoscan recovers Wincanton losses

CANOSCAN, who looked to be going like a winner when falling three out on his return to fencing at Wincanton recently, quickly made amends in the Spruce Novices' Chase at Leicester yesterday.

The 9-4 chance jumped well and, given the advantage when the leader, Romany Split, was slow at the seventh, had the prize in the bag entering the home straight.

"He would definitely have won last time, still on the bridle and having just taken it up when he slipped and knuckled over," said his trainer, Lady Herries.

"The priority here was to get a clear round and he enjoyed himself, taking time at his fences."

River Mandate, carrying the Arkle colours of Anne, Duchess of Westminster, was a disappointing favourite, finishing a well-beaten fourth. His trainer, Tim Forster, admitted: "I have no idea why he ran so badly. He is a good old-fashioned Irish horse who should have liked the ground."

The veteran owner Frank Hill landed his 119th winner when Fighting Days won the opening Coomes Conditional Jockeys' Selling Chase by four lengths at Fontwell. Hill, 90, has had horses since 1922, and recalled that his first winner was Acrobatic, ridden by Steve Donoghue.

Brian Storey partnered Great Max to an emphatic victory in the first division of the Study in Scarlet Novices' Hurdle at Newcastle.

The northern-based freelance gave Great Max his head between the last two flights, and the gelding quickly stretched clear to win by eight lengths from Carnetto.

☐ Adrian Maguire, the jockeys' championship leader, missed riding for the second successive day yesterday after failing to shake off the effects of flu. However, he will be back in action at Huntingdon today.

RICHARD EVANS

Nap: MAILCOM
(2.00 Huntingdon)
Next best: Frickley
(1.50 Catterick)

HUNTINGDON

THUNDERER

12.30 Ruling Dynasty. 1.00 Yaheeb. 1.30 Konvekta King. 2.00 Mailcom. 2.30 EASTHORPE (nap). 3.00 The Flying Footman. 3.30 Cumberland Blues.

The Times Private Handicapper's top rating: 12.30 RULING DYNASTY

GOING: GOOD — SIS

12.30 MONTAGU CONDITIONAL JOCKEYS SELLING HURDLE (£1,939: 2m 110yd) (15 runners)

BETTING: 13-8 Ruling Dynasty, 5-2 Tax The Devil, 5-1 Ben Zabeedy, 6-1 Nagobelia, 14-1 Mabthul, Majority Holding, 16-1 Elegant Friend, 20-1 Cobb Gate, 25-1 others.

1992: LADY GHISLAINE 5-10-13 J Ryan (6-1) R Reid 7 ran

FORM FOCUS

1.00 LONG SUTTON HANDICAP CHASE (£3,003: 2m 4f 110yd) (11 runners)

1992: WEST ENDER 9-11-3 A Maguire (8-11 fav) J Jefferson 5 ran

FORM FOCUS

1.30 EBF NATIONAL HUNT NOVICES HURDLE QUALIFIER (£1,980: 2m 110yd) (20 runners)

1992: PEACEMAN 6-11-5 E Murphy (5-4 fav) Mrs D Haine 11 ran

FORM FOCUS

2.00 CROWLAND NOVICES CHASE (£2,487: 3m) (10 runners)

401 0845-1 PETTY BRIDGE 14 (F,G,S) (D) (C Boston) A James 9-11-3 ... R Bellamy 93

1992: JIMSTRO 7-11-3 A Magure (4-1) J Pearce 11 ran

FORM FOCUS

Selection: PETTY BRIDGE (nap)

2.30 TETWORTH HANDICAP HURDLE (£2,145: 2m 110yd) (14 runners)

1992: SAN LORENZO 4-11-3 S McNeill (7-2 jt-fav) K Bailey 9 ran

FORM FOCUS

Selection: MANEREE

3.00 BISHOPS STORTFORD NOVICES HANDICAP CHASE (£2,225: 2m 110yd) (11 runners)

1992: DOLIKOS 5-11-3 G McCourt (4-1) J Jefferson 6 ran

FORM FOCUS

Selection: THE FLYING FOOTMAN

3.30 GRUNWICK NATIONAL HUNT FLAT RACE (£1,951: 2m 110yd) (22 runners)

1992: TAX THE DEVIL 4-10-8 A Dicken (6-1) S Dow 14 ran

COURSE SPECIALISTS

TRAINERS	Wins	Rns	%	JOCKEYS	Winners	Rides	%
J Jefferson	5	11	45.5	M Dwyer	4	9	44.4
J Webber	6	16	37.5	M Hourigan	3	9	33.3
G Harwood	5	16	31.3	M Perrett	8	41	19.5
Mrs J Pitman	14	42	33.3	R Dunwoody	23	121	19.0
N Henderson	14	42	33.3	A Maguire	15	81	18.5
R Lee	3	10	30.0	H Davies	15	85	17.6
D Nicholson	16	56	28.6				

CATTERICK

THUNDERER

12.50 Roseberry Topping. 1.20 Queen Of The Quorn. 1.50 Frickley. 2.20 J P Morgan. 2.50 Glenshane Lad. 3.20 Comstock.

GOING: GOOD TO FIRM — SIS

12.50 STREETLAM NATIONAL HUNT NOVICES HURDLE (Amateurs: £1,475: 2m) (6 runners)

1.20 ELLERTON JUVENILE NOVICES HURDLE (3-Y-O: £1,475: 2m) (16)

1.50 BOBBY FAULKNER MEMORIAL CHALLENGE TROPHY NOVICE CHASE (£2,626: 2m) (9)

COURSE SPECIALISTS

2.20 KIPLIN SELLING HANDICAP HURDLE (£1,880: 2m 3f) (21)

2.50 CHARLES VICKERY MEMORIAL CUP HANDICAP CHASE (£3,002: 3m 1f 110yd) (13)

3.20 BROMPTON HANDICAP HURDLE (£2,110: 2m) (15)

SOUTHWELL

THUNDERER

12.40 Hilzah. 1.10 Don't Be Said. 1.40 Benfleet. 2.10 Global Dancer. 2.40 Miss Aragon. 3.10 Passing Player. 3.40 Able Choice.

GOING: STANDARD — SIS

DRAW: 6F-1M, LOW NUMBERS BEST

12.40 MACBETH HANDICAP (£2,976: 1m 3f) (10 runners)

1.10 KING HENRY VI CLAIMING STAKES (£2,691: 1m 6f) (17)

1.40 JULIUS CAESAR NURSERY HANDICAP (2-Y-O: £3,523: 7f) (12)

2.10 TEMPEST CONDITIONS STAKES (2-Y-O: £3,260: 7f) (6)

1	6214	BLURRED IMAGE 25 (F,S) R Hannon 9-3	Mark Denaro (7) 6
2	0321	ASTRAC 15 (C,G) S Norton 9-2	K Darley 1
3	1	GLOBAL DANCER 15 (C,S) W O'Gorman 9-2	Emma O'Gorman (3) 2
4	3014	GREATEST 39 (D,F) R Armstrong 9-2	L Dettori 5
5	1633	VALIANT MAN 15 (S) J Wharton 9-2	J Quinn 4
6	0100	PRIVATE FIXTURE 8 (G) W Jarvis 9-0	M Tebbutt 3

2-1 Blurred Image, 4-1 Global Dancer, 9-2 Valiant Man, 5-1 Astrac, 6-1 Greatest, 16-1 Private Fixture.

2.40 TAMING OF THE SHREW HANDICAP (£3,494: 6f) (16)

3.10 HAMLET MAIDEN STAKES (2-Y-O: £3,640: 1m) (16)

3.40 KING LEAR HANDICAP (£3,131: 1m) (16)

COURSE SPECIALISTS

TRAINERS: Lord Huntingdon, 18 winners from 76 runners, 23.7%. JOCKEYS: D Gibson, 3 winners from 8 rides, 37.5%; Alex Greaves, 59 from 257, 23.0%; L Dettori, 12 from 61, 19.7%; M Tebbutt, 9 from 49, 18.4%; V A Halliday, 6 from 34, 17.6%; Emma O'Gorman, 33 from 207, 15.9%.

Blinkered first time

SOUTHWELL: 1.10 Billesclown. 1.40 Cinnamon Springs, Chief Executive. 3.10 Bienvenu, Dayello, Chelsea Lady.

RESULTS FROM YESTERDAY'S THREE MEETINGS

Fontwell Park

Going: good

1.10 (2m 2f ch) 1, FIGHTING DAYS (J Clarke, 5-4 fav); 2, Wickfield Lad (T Jenks, 5-1); 3, Achiltibuie (M Hourigan, 10-1). ALSO RAN: 7 Viaggio (4th), 8 Rather Sharp, 12 Temporary, 14 On Your Way (5th), 50 Major Elston (pu), Deviosity (6th). 9 ran. 4l, 12l, 1½l, 12l, 25l. A Moore at Brighton. Tote: £2.20; £1.70, £1.30, £1.90. DF: £4.30. CSF: £7.37. No bid.

1.40 (2m 2f hdle) 1, RICH LIFE (M Perrett, 5-2 fav); 2, Heretical Miss (D Gallagher, 66-1); 3, Velvet Heart (S Burrough, 7-2). ALSO RAN: 7-2 Chief's Song (f), 9-2 My Harvinski, 10 Bengal (5th), 16 Smart Daisy, 50 Conbrio Star, El Grando, Sunbeam Charlie (pu), Orchestion, Do Be Ware (6th), 66 Top Gunner (pu), Father's Joy, Moran Brig (4th). 15 ran. 20l, 6l, 3l, 10l, 10l. C Weedon at Chiddingfold. Tote: £4.20; £1.50, £13.50, £1.60. DF: £124.30. CSF: £128.87.

2.10 (2m 2f hdle) 1, NAHAR (A Dicken, 9-2); 2, Change The Act (J McCarthy, 8-1); 3, Cabochon (J Frost, 6-1). ALSO RAN: 15-8 fav Hymne D'Amour, 4 Welshman (5th), 16 Masai Mara (6th), 25 Vagador (4th), Lyphento. 8 ran. ¾l, 15l, 5l, 2½l, 1½l. S Dow at Epsom. Tote: £4.70; £1.20, £2.20, £2.10. DF: £11.10. CSF: £26.73. Tricast: £144.20.

2.40 (2m 2f ch) 1, RICHVILLE (N Williamson, 7-4 fav); 2, Kisu Kali (M Richards, 8-1); 3, Unique New York (R Dunwoody, 4-1). ALSO RAN: 5-2 General James (4th), 11 Rustic Gent (pu), 14 Moze Tidy (pu). 6 ran. 10l, 8l, 12l. K Bailey at Upper Lambourn. Tote: £2.80; £1.90, £1.80. DF: £4.90. CSF: £13.79.

3.10 (3m 2f 110yd ch) 1, EBONY GALE (J Osborne, 15-8 fav); 2, The Golfing Curate (C Burnett-Wells, 9-2); 3, Old Brig (R Dunwoody, 5-2). ALSO RAN: 8 Ocean Link (5th), 14 Star Of Oughterard (pu), Capsize (4th), 25 Wild Fortune (ur), 50 Spartan Flapjack (pu). 8 ran. 25l, ¾l, 5l, 3l. Mrs J Pitman at Lambourn. Tote: £2.60; £1.20, £1.70, £1.10. DF: £4.50. CSF: £9.88.

3.40 (2m 6f hdle) 1, CALL HOME (D Murphy, 1-2 fav); 2, Armateur (R Bellamy, 7-4); 3, Cadolive (B Powell, 50-1). ALSO RAN: 20 Country Style (5th), 66 Pioneer Pete (6th), 100 Janet Scibs (4th). 6 ran. 5l, 12l, 10l, sh hd, 3½l. J Gifford at Findon. Tote: £1.50; £1.50, £1.10. DF: £1.60. CSF: £1.70.

Jackpot: £244.00.

Placepot: £6.60.

Newcastle

Going: good to soft

12.30 (2m 4f) 1, Great Max (B Storey, 5-1); 2, Carnetto (13-2); 3, Strong Deel (20-1). Ninfa 2-1 fav. 13 ran. 8l, 5l. C Parker. Tote: £5.10; £1.90, £1.60, £5.10. DF: £21.60. CSF: £32.91.

1.00 (2m 110yd hdle) 1, Reggerty (N Bentley, 7-2); 2, Great Easeby (25-1); 3, Coeur Battant (3-1 jt-fav). Astrac Trio 3-1 jt-fav. 12 ran. ½l, sh hd. G Moore. Tote: £5.30; £1.70, £12.90, £1.50. DF: £296.90. CSF: £77.25.

1.30 (3m ch) 1, Arthur's Minstrel (G McCourt, 7-2); 2, Cellidh Boy (6-1); 3, Eden Sunset (50-1). Tallywagger 100-30 fav. 16 ran. 3½l, sh hd. P Cheesbrough. Tote: £4.50; £1.80, £2.20, £208.00. DF: £12.10. CSF: £22.16.

2.00 (2m 110yd hdle) 1, Marchwood (K Johnson, 14-1); 2, Surrey Dancer (8-15 fav); 3, Shahgram (10-1). 19 ran. 3l, 12l. P Cheesbrough. Tote: £22.40; £4.10, £1.20, £3.10. DF: £27.20. CSF: £21.49.

2.30 (2m 110yd ch) 1, Clay County (B Storey, 2-1); 2, Antonin (9-4); 3, Just Frankie (13-8 fav). 4 ran. 2½l, 10l. R Allan. Tote: £2.70. DF: £3.60. CSF: £6.22.

3.00 (2m 4f) 1, Master Boston (J Driscoll, 16-1); 2, Shaffic (11-8 fav); 3, Pirate Hook (4-1). 13 ran. 3l, 5l. R Woodhouse. Tote: £37.20; £6.00, £1.60, £1.10. DF: £28.90. CSF: £39.94.

3.30 (2m 110yd hdle) 1, Notable Exception (S Mason, 5-1); 2, Palacegate King (13-2); 3, Bollin Magdalene (12-1). Seon 7-4 fav. 11 ran. 3l, ½l. Mrs M Reveley. Tote: £5.80; £1.40, £2.40, £3.10. DF: £13.70. Trio: £40.80. CSF: £35.24. Tricast: £338.42. Placepot: £82.10.

Leicester

Going: good to soft (chase course); soft (hurdles)

12.50 (2m 4f 110yd ch) 1, Canoscan (E Murphy, 9-4); 2, Suffolk Road (8-1); 3, Hangover (9-2). River Mandate 7-4 fav. 9 ran. 7l, 1½l. Lady Herries. Tote: £2.90; £1.60, £3.20, £2.30. DF: £10.80. CSF: £19.81.

1.20 (2m 1f ch) 1, Kanndabil (M A Fitzgerald, 3-1); 2, Whatever You Like (11-10 fav); 3, Ceder Run (20-1). 7 ran. NR: Tines Lad. 7l, 5l. N Tinkler. Tote: £3.20; £1.90, £1.60. DF: £2.80. CSF: £5.42.

1.50 (3m ch) 1, Piper O'Drummond (Mr D Parker, 11-1); 2, Bowl Of Oats (11-2); 3, Rockmount Rose (20-1). Beresfords Girl 7-2 fav. 10 ran. NR: Buddy Holly. 2l, 1½l. Mrs S Bramall. Tote: £12.70; £2.80, £1.90, £15.80. DF: £83.30. Trio: not won. CSF: £62.67. Tricast: £1,075.04.

2.20 (2m hdle) 1, Port In A Storm (E Husband, 4-5 fav); 2, Tyrron Doon (11-4); 3, Abeloni (6-1). 9 ran. 5l, 3l. N Tinkler. Tote: £2.00; £1.70, £1.70, £3.00. DF: £4.20. CSF: £4.03.

2.50 (2m hdle) 1, Nawar (J Railton, 5-2 fav); 2, Moorish (4-1); 3, Roscommon Joe (4-1). 14 ran. NR: Alyvair. 8l, 8l. J Jenkins. Tote: £5.60; £2.80, £3.20, £1.90. DF: £176.30. CSF: £14.49.

3.20 (2m 4f 110yd hdle) 1, Bickerman (W Marston, 25-1); 2, The Mrs (14-1); 3, Mr Flutts (14-1); 4, Cheeky Fox (14-1). Master of The Rock 8-1 fav. 22 ran. NR: Joli's Great, Emallen. 6l, 10l. J Spearing. Tote: £81.00; £12.20, £4.50, £1.80, £2.60. DF: £510.70. Trio: not won. CSF: £334.56. Tricast: £4,576.87. Placepot: £527.70.

☐ Britain's most valuable Derby trial, the £70,000-added Dante Stakes at York, will be sponsored for the next three years by the Homeowners Friendly Society.

Syed seeking double first at Oxford

Syed's life at Balliol College involves the contrasting requirements of table tennis and a degree in politics, philosophy and economics. Photograph: Julian Herbert

Andrew Longmore reports on the England table tennis international who is mixing sport and politics

An American journalist once likened table tennis to running the 100 metres and playing chess at the same time. So it is no surprise to find one half of Matthew Syed in a high-minded search for enlightenment inside the gates of Balliol College, Oxford, the other in low-life pursuit of fame and fortune at table tennis tournaments from Chicago to London.

Syed, England international and potential first in politics, philosophy and economics, lives a double life worthy of any of Le Carré's spies. On one side, radical political theorist, who has ambitions to follow his hero, Denis Healey, into government; on the other, determined, single-minded professional, quite happy to adopt the tunnel vision and coarse language of his sporting peers. To confuse matters further, he is a devout Christian and has a passion for boxing.

The only meeting of the two worlds, when Syed invited a friend from table tennis to dine at Balliol, proved an affront to John Major's vision of a classless society and an embarrassment to Syed. Neither Old Etonian collegeman nor blunt-speaking northern international could understand the other, confirming Syed's view that, socially at least, his sport and his politics could not mix.

"It's very strange. I am two different people. The England team aren't interested in contemporary political debate, they want to win the next match. I get the mick taken out of me because I don't read the tabloids and I tend to bore them with politics, particularly if I've just been in Oxford for a few weeks. After a while, I slip into talking about their interests. Sex and table tennis, mainly.

"In Oxford, I feel I have to perform intellectually and talk in a particular way. To be honest, I find the place a bit pretentious at times. People want to appear to be intellectual. I was accused of being a 'yob' the other day. The problem is that I'm switching lives so often, it's hard to make real friends in either place."

Not that such a schizophrenic existence seems to trouble him. Just the opposite, in fact. At 23, Syed has been playing the best table tennis of his career this season and the Balliol authorities have actively encouraged his sporting life by postponing his final exams for a year, which is a welcome surprise to those who thought that sporting excellence had been wiped off the Oxbridge curriculum.

The omens were not promising. When Syed announced to one of his tutors last year that he had been selected for Barcelona he was told that the Olympics were terrible. "Why?" he asked. "Because I never know when *EastEnders* will be on," came the reply.

But two tournament victories early this season prompted a number of lucrative offers to play abroad and the tutorial board at Balliol was so impressed by Syed's first-class grades in his preliminary exams they agreed to let him concentrate on sport.

Next summer, to fulfil his part of the deal, Syed will put down his table tennis bat and devote his time to studying. In the meantime, he is competing to the limit. The Austrian Open one week; the Swedish Open the next. He has little time to play for the university or win a half-blue, but occasionally answers the call of his college team.

He is also contracted to teams in Belgium and France. Everywhere he carries his books, snatching odd moments away from training to absorb the principles of Hegelian philosophy and the theory of microeconomics. Far from hindering his academic progress, he says, sport has encouraged greater discipline and concentration.

"I apply my sporting mentality to my work, to make sure I peak at the right moment for an exam just as I would for a match. In finals at Oxford, the success of three years is determined in a matter of days. The pressure is intense, but I think I can cope with that better because of the demands of my sport. Equally, just playing table tennis can get incredibly tedious and studying helps to break it up."

Oxford has helped his sporting mind, too. With his future secure, he can relax and enjoy himself on the table. "When I played before, my hands would be shaking on big points because it meant so much to me. When I first came to Oxford, my form continued to improve, even though I was practising very little. There could be only one reason for that. It was the other guy's whole life, but not mine. It was an adventure, so I loved playing tight matches and they didn't. I won all my close matches. My idea of heaven would be 20-20 in the deciding game of a world championship final."

Since he took up table tennis as opposed to football or cricket at primary school, Syed has jousted at convention. His father was born in Karachi before moving to Reading. Syed's early career was spent in the lee of his brother, who was regarded as the better player until he contracted ME. Syed left school after his O levels, turned professional for a year with a Swedish club, then returned to study A levels in his own time. Only at the insistence of his father did he apply to Oxford. He is an instinctive, aggressive student by reputation; an artful, defensive table tennis player by training.

In an age of sporting myopia, his success has encouraged parents and other players to believe that studying and sport need not be mutually exclusive. "It's not possible to be world champion and study, but you can combine the two and get benefits from both. I suppose I'm trying to beat two systems and there are plenty of people in both my lives who want to see if I can do it."

Hopefuls to face England in tour opener

By Our Sports Staff

GEOFFREY Toyana, 18, from Soweto, will captain a Transvaal Invitation XI against England A in the opening match of their tour in Alexandra township, Johannesburg on Saturday.

Toyana leads a side that includes several other black cricketers introduced to the game by the South African cricket board's township development programme.

The 14-man England A party, led by Hugh Morris, of Glamorgan, arrived in Johannesburg yesterday morning for their two-month tour of South Africa. They will spend the first few days acclimatising and warming up for the one-day match on Saturday, the first to be played at the newly built Alexandra Oval.

The local fast bowler, Walter Masemola, another young player of whom much is expected, is in the invitation side, together with several experienced first-class cricketers. They include the batsmen, Mandy Yachad and Mark Rushmere, and the slow left-arm bowler, Clive Eksteen.

☐ Worcestershire yesterday re-signed Tom Moody, the Australian Test batsman, on a two-year contract. Moody, 28, returns after missing out last season when Kenny Benjamin, the West Indian fast bowler, was the county's overseas player.

Moody, who started his county career with Warwickshire in 1990, moved to Worcestershire in 1991, when he scored 1,887 runs at 62.90, including six centuries.

☐ Richie Richardson, the West Indies captain, branded pitch-fixing as a form of cheating at the start of his side's first tour of Sri Lanka.

Speaking in Colombo, Richardson said it was sad that more and more countries prepared pitches to accommodate their own bowling strengths.

"That is like cheating and is unfair to me," he said. "You should not create conditions to suit yourselves. You should just prepare a normal wicket and play the game like gentlemen.

"If we wanted to, we would prepare the fastest pitches back home and that would suit us perfectly. But we don't do that."

West Indies begin their tour today with a one-day international. They will also play one Test match, two more one-day internationals and a three-day match.

Bandula Warnapura, Sri Lanka's first Test captain, has been appointed team manager, the third in two months, in succession to T. B. Kehelgamuwa and Duleep Mendis.

Cairns told to turn out or go home

CHRIS Cairns, the New Zealand cricket all-rounder, who withdrew on the eve of the second Test match against Australia in Hobart last week, has been given a play-or-go-home ultimatum by his team management.

Cairns has been told he must declare his fitness on Wednesday for the third and final Test against Australia, starting in Brisbane on Friday, or return to New Zealand.

Michael Sandlant, the New Zealand team manager, said yesterday that Cairns's bruised heel had been examined by a specialist and the touring team wanted him to decide his plans after practice on Wednesday.

"The specialist has said there is no stress fracture in Chris's foot," Sandlant said. "Chris has to decide, either he is available or not. He has to train tomorrow and declare if he can play. We have made sure he will not injure himself further by having a specialist examine him, but if he is not available for this Test, we would have to consider his future with the tour."

Cairns angered the New Zealand team management by pulling out of the second Test on the first morning last Friday. Ken Rutherford, captain, and Geoff Howarth, the coach, both tried to convince the all-rounder to play.

Australia need only to draw the Brisbane Test to regain the Trans-Tasman trophy.

In Sydney, Mike Procter, the South Africa coach, yesterday claimed that fast bowlers would decide his country's three-Test series against Australia.

Procter, regarded by many as the world's best all-rounder before the republic was banned from international sport over two decades ago, claimed Australia was vulnerable against fast bowling and Warne and May were not world-beaters.

He pointed to Australia's defeats in the last two Tests against West Indies in Sydney last summer and in the final Test against England at the Oval last August.

"I see Allan Border queries our ability against spin — well, I query their ability against pace," Procter said. "I don't think it's coincidence that the Poms had a pace attack for the first time in the Ashes series and Australia lost at the Oval.

"Having said that, Australia are a very good side, good batsmen, good fielders, they have Craig McDermott and two other guys who we obviously haven't seen before. The only real chink they've got is their vulnerability against a pace attack."

Telfer brings new hope for Scots

By Alan Lorimer

JIM Telfer, who begins his new job as Scotland's first director of rugby this week, could hardly have expected to step into such a crisis when he was appointed in September. The damaging 51-15 defeat by New Zealand, made worse for the Scots by the subsequent victory over the All Blacks by England, and the continuing worries over the strength of competitive rugby in Scotland, has created a climate of self doubt. Telfer's immediate task will be all about restoring confidence.

His priority will be with his immediate lieutenants. "I will want to give the top coaches all the support I can over the next two months," he said. "For them to experience such a heavy defeat in their first international could be very damaging."

Telfer's credentials for the job — the first such appointment by a home union — made him an obvious choice. A former Scotland captain, he toured twice with the British Isles before climbing the coaching ladder. Telfer was in charge of the Scotland B side between 1974 and 1980 and then appointed coach to the national team, the high point of which was the grand slam win in 1984.

In between, Telfer coached the 1983 British Isles team in New Zealand and later, in what was a glorious period for Scottish rugby, he shared in the 1990 grand slam success with Ian McGeechan.

Assessing the Scotland performance in the defeat by New Zealand, he said: "The coaches and players must be disappointed that the Scotland team played with absolutely no fire. It was simply a bad display."

Telfer worries about the ability of the Scotland pack to compete physically. "We have tall forwards but they do not have the required weight," he said. "At the top level, rugby is a very physical game in all positions. What I would like to set up is a proper structure for correct conditioning during the summer."

Telfer is particularly concerned about the lack of correct guidance given to players in the 18 to 21 age group. This will be one of the issues likely to come into his overall plan of development.

His goals, however, are numerous: improving the quality of rugby at the top, increasing the number of youngsters playing the game, establishing the right competitive structure at all levels. He has a vested interest in success, having given up the position of headmaster at Hawick High School to start afresh as an employee of the Scottish Rugby Union.

Telfer: fresh start

Cup draw, page 48

مكتب الاهرام

BBC1

6.00 Business Breakfast (11517)
7.00 BBC Breakfast News (97456791)
9.05 Kilroy. (s) (4928178)
9.45 Newshound. Daily news quiz (s) (4579994)
10.00 News (Ceefax) Regional News and weather (1672826) **10.05 Playdays** (r) (3244371)
10.30 Good Morning... With Anne and Nick. (s) (15476371)
12.15 Pebble Mill. Ken Dodd is today's guest (9786197) **12.55 Regional News** and weather (55838064)
1.00 One O'Clock News (Ceefax) and weather (55888)
1.30 Neighbours. A ghost from the past haunts Stephen while Julie is in deep water as a result of Michael's treachery. (Ceefax) (s) (63968587)
1.50 XYZ. Alphabet quiz (69368523)
2.15 Hawaii Five-O. (r) (2317284)
3.05 Today's Gourmet. Jacques Pepin prepares mouth-watering dishes from around the world (8910197)
3.35 Popeye. (3916975) **3.45 Spider**. (r) (s) (1555081) **3.50 Pingu**. (r) (7813994) **3.55 Harum Scarum** (s) (1542517) **4.05 Rude Dog and the Dweebs**. (r) (4877062) **4.20 Mortimer and Arabel** (s) (4898555) **4.35 Artifax** (s) (8755178) **5.00 Newsround** (8082401) **5.10 Grange Hill**. The secret of the stolen diary is revealed (r). (Ceefax) (s) (4228517)
5.35 Neighbours (r). (Ceefax) (s) (838468) **Northern Ireland:** Inside Ulster
6.00 Six O'Clock News with Anna Ford and Jennie Bond. (Ceefax) (8)
6.30 Regional News Magazines (20) **Northern Ireland:** Neighbours

Paul Hogan has to earn his wings (7.00pm)

7.00 FILM: Almost An Angel (1990), starring Paul Hogan and Linda Kozlowski. The stars of *Crocodile Dundee* appear in this comedy about a street-smart thief who dies after an instinctive, unselfish act. He returns to earth as a probationary angel to devote his dubious talents to good causes. Directed by John Cornell (Ceefax) (s) (10951)
8.30 Sitting Pretty. New comedy series starring Diane Bull as a woman who has come down in the world with a bump, but is determined to pick herself up. (Ceefax) (s) (1449)
9.00 Nine O'Clock News with Michael Buerk. (Ceefax) and weather (6975)
9.30 Budget Response by The Labour Party with Gordon Brown, shadow Chancellor (277975) (Ceefax)
9.40 CHOICE **States Of Terror: The Organisation**. (Ceefax) (888623)
10.30 Sportsnight. Desmond Lynam presents boxing and football. Henry Akinwande defends his European heavyweight title against Italy's Biagio Chianese. The 28-year-old Londoner is looking for another win before his projected meeting with Herbie Hide, the British champion. There is also action from the night's FA Premiership matches (50197)
12.00 Weather (8975531) Ends at **12.05am Northern Ireland** and **Wales** 12.00-12.05am Regional news and weather
2.15 BBC Select: Accountancy Television (825869) **3.15-3.45** Legal Network Television (26685) **4.00** TV Edits German 2 TV4 (1136840) **4.45** ATV Promo 2 (99043) Ends at **5.15**

BBC2

6.40 FILM: Beau Ideal (1931, b/w). Disappointing second sequel to the 1926 silent version of P.C. Wren's French Foreign Legion novel, *Beau Geste*. Starring Frank McCormack, directed by Herbert Brenon (7945710)
8.00 Breakfast News (Ceefax) (2716159)
8.15 Westminster Daily. Parliamentary update (9591081)
9.00 Northern Lights. The work of Frank Nelson, artist and mechanic (r) (3522246)
9.05 Daytime on Two. Educational Programmes. Plus, for children, **1.20** Brum (38622604) **1.30** Stoppit and Tidyup (23967517) **1.35-1.40** Crystal Tipps and Alistair (23966888) (85568361)
2.00 News (Ceefax) and weather (68305371) **2.05 Storytime** (r) (91855604)
2.15 Look, Stranger. Fernie, Ireland's leading children's entertainer (r) (27619265) **2.35 CountryFile**. John Craven explores rural issues (first shown on Sunday) (s) (1835623)
3.00 News and weather (9241062) **3.05 Westminster Live**. Coverage of Parliament and committees (Ceefax) (8657866) **3.50 News** (Ceefax), regional news and weather (1541888)
4.00 Catchword. Word game presented by Paul Cola (s) (33)
4.30 A Question Of Sport. A repeat of yesterday's programme. Ian Botham enlists the help of Olympic gold medallist and world record holder Sally Gunnell and racing driver Mark Blundell to take on Bill Beaumont's team of footballer Teddy Sheringham and cricketer Jack Russell. (Ceefax) (s) (17)
5.00 Today's the Day. News quiz chaired by Martyn Lewis (4772)
5.30 Food and Drink. (r) (s) (7)
6.00 Star Trek. The crew falls under the influence of an intangible menace which threatens to destroy the starship (r). (Ceefax) (511642)
6.50 CHOICE **Def II: Rough Guide To The Americas** (Ceefax) (640913)

Domingo conducts Tchaikovsky (7.30pm)

7.30 CHOICE **Winter Gala** (s) (718352)
10.30 Budget Response by the Labour Party with Gordon Brown, shadow Chancellor (383178)
10.40 Newsnight with Peter Snow (Ceefax) (527420)
11.25 The Late Show. Tracey Macleod presents a review of cultural highlights of the month on a scientific theme (s) (689994) **12.05am Weather** (8972444)
12.10-1.40 FILM: Tales of Terror (1962). Second night of a short season in tribute to the late Vincent Price features three short films based on classic tales by Edgar Allan Poe: *Morella*, with Maggie Pierce, *The Black Cat*, with Basil Rathbone, and *The Case of M Valdemar*, with Peter Lorre. Directed by Roger Corman. (Ceefax) (8568550)
2.00-4.00 Nightschool: Teaching Today (70647)

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CHOICE

States of Terror: The Organisation
BBC1, 9.40pm

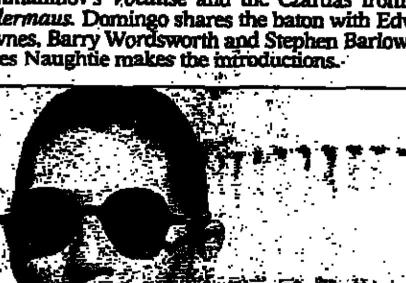
Peter Taylor's excellent series moves to Spain and the government battle to subdue the Basque terrorist group, Eta. Up to the mid-1970s the campaign for Basque independence was directed against the fascist government of General Franco. After the death of Franco, Spain reverted to democracy and granted many of the Basque demands. The result, paradoxically, was an even greater level of terrorist activity. In 15 years Eta killed some 800 people, only 50 fewer than the IRA. But the Madrid government was able to hit back. Taylor secures a rare interview with Rafael Vera, who led the campaign against Eta, and examines the sometimes dubious methods by which the terrorists were brought to heel.

Crime Story: A Terrible Coldness
ITV, 9.00pm

Graham Frederick Young, chillingly played in this dramatisation by Mark Womack, was Britain's most famous serial poisoner. His victims included members of his own family as well as colleagues at the Hertfordshire photographic laboratory where he worked in the early 1970s. Although he was a bit odd, threatening to go to the office party as Adolf Hitler, people were reluctant to think the worst of him. It took a series of deaths and mysterious illnesses before suspicion was aroused. The film suggests that Young's trouble stemmed from the death of his mother, though the details remain vague. The lessons of the case, about the dangers of letting mental patients back into the community, remain topical.

Winter Gala
BBC2, 7.30pm

The centenary of the death of Tchaikovsky is celebrated with an evening of opera and ballet, broadcast live from the Royal Opera House. There are plenty of star names, sometimes in unfamiliar roles. Placido Domingo turns conductor for the 1812 Overture, as well giving the Lensky aria from *Eugene Onegin*. Not all the works are by Tchaikovsky. The brilliant French dancer Sylvie Guillem is seen dancing a pas de deux from *Hermann Schermann*, partnered by Adam Cooper. Kiri Te Kanawa performs Rachmaninov's *Vocalise* and the Czardas from *Die Fledermaus*. Domingo shares the baton with Edward Downes, Barry Wordsworth and Stephen Barlow and James Naughtie makes the introductions.



Magenta De Vine tours Washington (BBC2, 6.50pm)

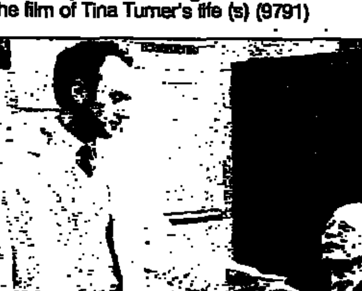
Rough Guide to the Americas
BBC2, 6.50pm

Magenta De Vine, of the dark glasses and bare tummy, and Rajan Datar check out Washington DC and Boston in the latest leg of their transatlantic safari. As usual they assume that their viewers have a short attention span. This is grasshopper television, which never stays with the same subject more than a couple of minutes. The result, predictably, is width rather than depth. The Washington segment rushes through history, politics and social comment, garnished with pithy statistics. In Boston the pair deal with the Tea Party, the Irish and baseball before leaving town for Salem and a taste of witchcraft. The show is slick and snappy but you wish it would pause now and then and catch its breath.

Peter Waymark

ITV LONDON

6.00 GMTV presented by Michael Wilson and Lorraine Kelly (4049642)
9.25 Supermarket Sweep. Game show set in a supermarket with Dale Winton (s) (9472807) **9.55 London Today** (3220791)
10.00 The Time... The Place. John Stapleton chairs a topical debate (s) (7734710)
10.35 This Morning. Judy Finnigan and Richard Madeley present the weekday magazine programme (15460710) **12.20 London Today** (9577062)
12.30 ITN Lunchtime News. (Teletext) Weather (2477807)
12.55 Coronation Street (r). (Teletext) (2485826)
1.25 Home and Away. Australian family drama series. (Teletext) (26904975) **1.55 A Country Practice**. Antipodean medical drama (s) (72413492)
2.20 The Chrystal Rose Show. A discussion on the rights of adopted children, adoptive families and natural parents (17236062)
2.50 The Young Doctors. Drama with the Australian medics (5241826) **3.20 News** headlines (9258352) **3.25 London Today**. (Teletext) Weather (9257623)
3.30 Children's ITV: Alphabet Castle. Guide to the alphabet (s) (3902772) **3.40 Wizadora**. Puppet fun (1532130) **3.50 Old Bear Stories**. Animated toys (s) (3913888) **4.05 Avenger Penguins**. Animated adventures (7816081) **4.30 Cartoon**. Porky Pig and Daffy Duck (r) (8414401) **4.40 Woof!** Rex hurts his paw. With Lionel Jeffries, Liza Goddard and Adam Roper. (Teletext) (s) (2049994)
5.10 Home and Away (r). (Teletext) (3081474)
5.40 ITN Early Evening News with John Suchet. (Teletext) Weather (439246)
6.00 London Tonight presented by Alastair Stewart and Fiona Foster. (Teletext) (65604)
7.00 Lose a Million. Chris Tarrant challenges three more contestants to give as many wrong answers as possible in order to lose their starting jackpots (s) (1062)
7.30 Coronation Street. Denise decides to forget her troubles and throws a party. (Teletext) (72)
8.00 Des O'Connor Tonight. Among the guests are film star Burt Reynolds and Angela Bassett, who starred in the film of Tina Turner's life (s) (9791)



Young's (Mark Womack) poison brew (9.00pm)

9.00 CHOICE **Crime Story: A Terrible Coldness – Graham Young**. (Teletext) (s) (9555)
10.00 News at Ten with Julia Somerville. (Teletext) Weather (30420) **10.30 London Tonight**. (Teletext) Weather (370604)
10.40 Budget '93. A response to the Budget by the shadow Chancellor Gordon Brown (644791)
10.50 Carlton Sport. Matthew Lorenzo presents highlights from all of tonight's fourth round Coca-Cola Cup ties (6093997)
12.15am FILM: A Matter Of Wife... and Death (1976) starring Rod Taylor as a private eye who witnesses the murder of a former associate. Directed by Marvin J. Chomsky (8345918)
1.30 Hollywood Report (s) (99550)
2.00 The Chrystal Rose Show (r) (s) (43753)
2.30 America's Top Ten (s)(83550)
3.00 Entertainment UK (s) (98717)
4.00 60 Minutes. American current affairs series (r) (38043)
5.00 Riviera (51314)
5.30 ITN Morning News (40647). Ends at **6.00**

CHANNEL 4

6.30 Ulysses 31. Animation (r) (43555)
7.00 The Big Breakfast (78739)
9.00 You Bet Your Life. Quiz show hosted by American comedian Bill Cosby (r) (s) (57197)
9.30 Schools: Using Mathematics (6981913) **9.46** Talk, Write and Read (6971536) **10.02** Science Start Here! (3477178) **10.18** Irish Writers (3489913) **10.40** Tectactics (9866826) **10.56** Film and Video Showcase (8772352) **11.07** Time for Maths (4577642) **11.18** Your World (4568994) **11.30** Rat-a-Tat-Tat (8018739) **11.45** Junior Technology (8006994)
12.00 House to House. Parliamentary news with Maya Even (37333)
12.30 Sesame Street. Early learning series with guest Tyne Daly (90081) **1.30 The Magic Roundabout** followed by **The Clangers, Paddington** and **Ivor the Engine** (r) (87826)
2.00 FILM: A Stolen Life (1946, b/w) starring Bette Davis in the dual role of identical twin sisters who fall in love with the same man (Glenn Ford). Directed by Curtis Bernhardt (460555)
3.55 Check Out 93 (r) (s) (5325265)
4.30 Fifteen to One. William G. Stewart fires the questions in this fast-moving quiz. (Teletext) (s) (3)
5.00 The Oprah Winfrey Show. America's best-loved agony aunt talks to Dr Joy Davidson who explains that relationships can never be the same the second time around. (Teletext) (s) (1361178)
5.50 Laurel and Hardy. Cartoon (954246)
6.00 The Crystal Maze. Richard O'Brien leads six more intrepid contestants through the four fantasy time zones (r) (s) (63246)
7.00 Channel 4 News with Jon Snow. (Teletext) Weather (348178)
7.50 Party Political Comment by a Plaid Cymru politician (493265)
8.00 Brookside. The lives and loves of the Merseyside cul-de-sac dwellers. (Teletext) (s) (8352)

Robert Elms visits Iceland's capital (8.30pm)

8.30 Travelog. Art critic Brian Sewell goes in search of the art of Bavaria, but first he has to deal with the perils of Munich's one-way system; and Robert Elms explores Reykjavik's night life. (Teletext) (s) (4159)
9.00 Dispatches. An investigation into some of the organisations that help fund or support the Conservative party (462333)
9.45 The Almost Complete History of the Twentieth Century. A satirical look at events that have shaped world history. Tonight, the "special relationship" between Britain and America. (Teletext) (272420)
10.00 The Golden Girls. American cult comedy series. Blanche is accused of having an affair with a council candidate (r). (Teletext) (s) (364505)
10.35 Sean's Show. Surreal comedy with Sean Hughes. Will romance blossom for Sean and Lizzie? (s) (860536)
11.05 Rory Bremner – Who Else? Witty impressions (r) (s) (694826)
11.45 Moviewatch (r) (s) (108468)
12.15am FILM: Fatherland (1986). Political drama set in Germany before reunification. When an East German musician is expelled from the country, he goes in search of his missing father. In English and German with subtitles. Directed by Ken Loach (272173). Ends at **2.15**

RADIO 1

FM Stereo and MW. 4.00am Bruno Brookes (FM only) **7.00** Mark Goodier **9.00** Simon Mayo **12.30pm** Newsbeat **12.45** Jakki Brambles **3.00** Steve Wright **6.00** News '93 **6.30** Evening Session marks World Aids Day **9.00** The Knowledge: Alan Freeman talks about his passion for dance music (r) **9.30** Dance Energy **10.00** Mark Radcliffe **12.00-4.00am** Lynn Parsons (FM only)

RADIO 2

FM Stereo. 5.00am Sarah Kennedy **6.15** Pause for Thought **7.05** Wake Up to Wogan **9.15** Pause for Thought **9.30** Ken Bruce **11.30** Jimmy Young **2.00pm** Gloria Hunniford **3.30** Ed Stewart **5.05** John Dunn **7.00** Jim Lloyd with Folk on 2 **8.00** Barn Dance: Peeping Tom, with their caller Eddie Upton **8.30** Harding with a Mike: The Himalayas **9.00** Nana Mouskouri's Music of Greece **9.30** Nigel Ogden: The Organist Entertains **10.00** Positive Voices. Poetry, readings and songs to mark World Aids Day **11.00** The Jamesons **12.05am** Steve Madden **3.00-5.00** Alex Lester

RADIO 5

6.00am World Service **6.30** Morning Edition **9.00** Schools: Infant Topics; **9.16** Dance Workshop; **9.35** Verse Universe; **9.45** Time and Tune — Music Course 2; **10.05** Drama Workshop **10.25** Johnnie Walker with the AM Alternative **12.30pm** Education Matters with Helen Madden **1.00** News and Sport **1.10** The Crunch **2.30** BFBS Worldwide **4.05** John Inverdale's Drive-In **6.30** Hero to Zero, by John Salthouse (2/6) **7.15** Marrying Off Mum, by Janice Marriott (3/5) **7.30** Trevor Brooking's Football Night **10.10** Hit the North **12.00-12.10am** News; Sport

WORLD SERVICE

All times in **GMT. 4.30am** BBC English **4.45** News and Press Review in German **5.00** Morgenmagazin: Tips für Touristen **5.30** Europe Today **6.00** News **6.15** The World Today **6.30** Europe Today **7.00** Newsdesk **7.30** Development '93 **8.00** News **8.10** Words of Faith **8.15** American Icons **8.30** Quote, Unquote **9.00** News **9.05** Business Report **9.15** Country Style **9.30** Homeward Bound **9.45** Sports Roundup **10.00** News **10.01** Omnibus **10.30** Jazz for the Asking **11.00** Newsdesk **11.30** BBC English **11.45** Mittagsmagazin **Noon** News **12.10pm** Words of Faith **12.15** New Ideas **12.35** Perfectly Proportioned **12.45** Sports Roundup **1.00** News **2.05** Outlook **2.30** Off the Shelf: *The Caravanners* **2.45** Good Books **3.00** News **3.15** Images of Britain **3.30** Two Cheers for November **4.00** News **4.15** BBC English **4.30** Heute Aktuell **5.00** News **5.05** Business Report **5.15** BBC English **6.00** Newsdesk **6.30** Heute Aktuell **7.00** Nachrichten **7.05** Kaleidoskop **8.00** News **8.10** Words of Faith **8.15** The World Today **8.30** Europe Today **9.00** News **10.15** Sports International **10.45** Sports Roundup **11.00** News **11.05** Business Report **11.15** From Our Own Correspondent **11.30** Multitrack 2 **Midnight** Newsdesk **12.30am** Two Cheers for November **1.00** News **1.05** Outlook **1.30** Waveguide **1.40** Book Choice **1.45** The Farming World **2.00** Newsdesk **2.30** Sports International **3.00** News **3.15** Sports Roundup **3.30** Assignment **4.00** News **4.15** The Farming World

CLASSIC FM

6.00am Nick Bailey **9.00** Henry Kelly **12.00** Susannah Simons **2.00pm** Lunchtime Concerto: Britten (Violin Concerto: Lorraine McAslan: ECO under Steuart Bedford) **3.00** Petroc Trelawny **6.00** Margaret Howard with Classic Reports **7.00** Book Browse **8.00** Evening Concert: See Choice **10.00** Michael Mappin **1.00-6.00am** Robert Booth

VIRGIN 1215

6.00am Russ and Jono **10.00** Richard Skinner **1.00pm** Kevin Greening **4.00** Tommy Vance **7.00** Mitch Johnson **10.00** Nick Abbot **2.00-6.00am** Tommy Rivers

VARIATIONS

ANGLIA
As London except: 1.55 A Country Practice (72413492) **2.20-2.50** Cooking At The Academy (17236062) **3.25-3.30** Anglia News (9257623) **5.10-5.40** Blockbusters (3081474) **6.00** Home And Away (226975) **6.25-7.00** Anglia News (216710) **10.30-10.40** Anglia News (370604) **10.50** Anglia Sport Special (631062) **11.50** The Equalizer (368361) **12.45am** AIDS - In A New Light 93 (261424) **2.15** Film: Tidy Endings (810937) **3.15** Cinema, Cinema, Cinema (11753) **3.45** 60 Minutes (3088005) **4.35** Riviera (91618668) **5.00-5.30** Jobfinder (51314)

CENTRAL
As London except: 1.55 Shortland Street (72413492) **2.20** Gardening Time (17236062) **2.50-3.20** A Country Practice (5241826) **3.25-3.30** Central News (9257623) **5.10-5.40** Talkabout (3081474) **6.00** Home And Away (226975) **6.25-7.00** Central News (216710) **10.30-10.40** Central News (370604) **10.50** Central Sports Special (3276178) **12.05am** The Equalizer (3663111) **1.00** Crime International (69821) **1.30** Entertainment U.K. (82376) **2.30** Stage One (95314) **3.30** BPM (67531) **4.30** Central Jobfinder 93 (2889753) **5.20-5.30** Asian Eye (8240821)

GRANADA
As London except: 12.55 Home And Away (2485826) **1.25** A Country Practice (82200826) **1.50** Coronation Street (20419333) **2.20** Highdays And Holidays (17236062) **2.50-3.20** Sons And Daughters (5241826) **3.25-3.30** Granada News (9257623) **5.10-5.40** Blockbusters (3081474) **6.00** Home And Away (35) **6.30-7.00** Granada Tonight (88) **10.30-10.40** Granada News (370604) **10.50** Granada Soccer Night (88282710) **12.45am** AIDS - In A New Light 93 (261424) **2.15** Film: Tidy Endings (810937) **3.15** Cinema, Cinema, Cinema (11753) **3.45** 60 Minutes (3088005) **4.35** Riviera (91618668) **5.00-5.30** Jobfinder (51314)

HTV WEST
As London except: 2.20-2.50 Gardening Time (17236062) **3.25-3.30** HTV News (9257623) **6.00** HTV News (35) **6.30-7.00** The Munsters Today (88) **10.30-10.40** HTV News (370604) **10.50** Central Sports Special (3276178) **12.05am** The Twilight Zone (3627395) **12.45** AIDS - In A New Light 93 (261424) **2.15** Film: Tidy Endings (810937) **3.15** Cinema, Cinema, Cinema (11753) **3.45** 60 Minutes (3088005) **4.35** Riviera (91618668) **5.00-5.30** Jobfinder (51314)

HTV WALES
As HTV WEST except: 1.55-2.20 A Country Practice (72413492) **3.25-3.30** HTV Wales Headlines (9257623) **6.00** Wales At Six (36) **6.30-7.00** The Gen (88) **10.30-10.40** HTV Wales News & Weather (370604) **10.50** Top Sport (631062) **11.50-12.45pm** Night Heat (368361)

MERIDIAN
As London except: 1.55 A Country Practice (72413492) **2.20** Great House Cookery (17236062) **2.50-3.20** Shortland Street (5241826) **3.25-3.30** Meridian News & Weather (9257623) **5.37-5.40** Three Minutes - Crimestoppers (951159) **6.00** Meridian Tonight (36) **6.30-7.00** Serve You Right (88) **10.30-10.40** Meridian News & Weather (370604) **10.50-12.15pm** Midweek Sport (6093997) **5.00am-5.30** Freescreen (51314)

TYNE TEES
As London except: 9.55am-10.00 Tyne Tees News (3220791) **12.20pm** Tyne Tees News (9586710) **12.25-12.30** Where The Jobs Are (9585081) **2.20-2.50** Yan Can Cook (17236062) **3.25-3.30** Tyne Tees News (9257623) **5.55** Tyne Tees Today (143265) **6.30-7.00** Talkabout (88) **10.30-10.40** Tyne Tees News (370604) **10.50** Tyne Tees Sports Special (631062) **11.50** Film: The Van (996710) **1.25am** Hollywood Report (9782647) **1.55** Videofashion (2775734) **2.25** Transworld Sport (1382005) **3.25** Music Box (7917869) **4.25-5.30** Jobfinder (2076482)

WESTCOUNTRY
As London except: 12.20pm-12.30 Westcountry Latest (9577062) **1.55** Take The High Road (20418604) **2.25** Westcountry Focus: The West At Work (17235333) **2.55-3.20** A Country Practice (1842913) **3.25-3.30** Westcountry Latest (9257623) **6.00-7.00** Westcountry Live (65604) **10.30-10.40** Westcountry Latest (370604) **10.50** Film: The Cracker Factory (71855265) **12.40am** My Story (4848519) **12.45** AIDS - In A New Light 93 (261424) **2.15** Film: Tidy Endings (810937) **3.15** Cinema, Cinema, Cinema (11753) **3.45** 60 Minutes (3088005) **4.35** Riviera (91618668) **5.00-5.30** Jobfinder (51314)

S4C
Starts: 7.00am The Big Breakfast (78739) **9.00** You Bet Your Life (57197) **9.30** Schools (943826) **12.00pm** House To House (37333) **12.30** Slot Meithrin (2475449) **12.55** Sesame Street (5503333) **1.55** Film: The Mouse On The Moon (43565081) **3.30** Check Out '93 (94) **4.00** Slot 23 (3401) **5.00** Gamesmaster (9468) **5.30** Fifteen To One (65) **6.00** Newyddion (325710) **6.20** Cwlwm Serch (578975) **6.25** Heno (214352) **7.00** Pobol Y Cwm (9604) **7.30** Dim Ond Cell (2) **8.00** Glan Hafren (8352) **8.30** Newyddion (4159) **9.00** Halen Yn Y Gwaed (7197) **10.00** Brookside (38062) **10.30** Film: My Own Private Idaho (60288130) **12.25am** Dispatches (3629753)

RADIO 3

6.55am Weather 7.00 On Air: Dohnányi (Pastorale); Mozart (Piano Concerto No 20 in D minor, K466); Corelli (Trio Sonata in A minor, Op 1 No 4); Debussy (Prélude à l'après-midi d'un faune); Mendelssohn (Motet, Glory to God in the Highest); Martinů (Tre ricercari)
9.00 An Advent Calendar: First in a series of programmes in which amateur choirs perform a selection of Christmas music from *The New Oxford Book of Carols*. Today: Esterhazy Singers under Nicholas Bannan
9.10 Composers of the Week: The Polish Romantics. Adrian Thomas presents Paderewski (Piano Concerto in A minor, Op 17); Karlowicz (Stanislaw and Anna Oswiecim, Op 12)
10.10 Midweek Choice, presented by Susan Sharpe
12.00 The BBC Orchestras: BBC Scottish SO under Jerzy Maksymiuk performs Gorecki (Old Polish Music for brass and strings); Grieg (Peer Gynt: Suites Nos 1 and 2) (r)
1.00pm News 1.05 Concert Hall: Pawel Kowalski, piano, plays Bach, arr Busoni (Nun komm' der Heiden Heiland, BWV 659); Bach, arr Siloti (Prelude in B minor); Liszt (Sposalizio, Années de pèlerinage); Brahms (Intermezzo in E flat, Op 117 No 1); Paderewski (Nocturne in B flat, Op 16 No 4); Chopin (Ballade No 4 in F minor; Polonaise in A flat)
2.00 Record Review: Telemann (Concerto in E: London Harpsichord Ensemble); Schubert (Symphony No 2 in B flat: Vienna PO under Riccardo Muti); **3.02** Arensky (String Quartet No 2 in A minor: Raphael Ensemble); Kodály (Variations on a Hungarian Folksong, The Peacock: London Philharmonic under Franz Welser-Möst) (r)
3.30 Four Seasons: Frescobaldi (Toccata VI, Toccate, Libro II); Vivaldi (Chamber Concerto in F, RV97); Vivaldi (Concerto in F minor, Op 8 No 4, Winter)
4.00 Choral Evensong, live from Magdalen College, Oxford
5.00 In Tune: Including Berlioz (Overture, Le Corsaire); **6.03** Ravel (Alborada del gracioso); Rachmaninov (Piano Concerto No 4 in G minor); **7.03** Shostakovich, arr McBurney (Hypothectially Murdered — excerpts)
7.30 BBC Symphony Orchestra under Matthias Bamert performs Messiaen (L'Ascension); Szymanowski (Violin Concerto No 2: Krzysztof Smietana). **8.25** The Survival of Poetry. **8.45** Gorecki (Symphony No 1)
9.15 Stories by Bruno Schulz: The Night of the Great Season. Read by Simon McBurney
9.35 Fretwork, with Catherine Pierard, soprano, performs works by Byrd, Holborne, Pearson and Jenkins (r)
10.25 The Chopin Nocturnes: No 6 in G minor, Op 15 No 3; No 15 in F minor, Op 55 No 1; No 11 in G minor, Op 37 No 1 (Kathryn Stott, piano)
10.45 Night Waves: The Polish film industry
11.30 Ensemble: Lontano under Odaline de la Martinez performs Ginastera (Piano Sonata No 1); Villa-Lobos (Sexteto mistico); Amadeo Roldán (Rítmica No 1); Revueltas (Ocho por Radio); Chavez (Toccata for percussion); Villa-Lobos (Chôros No 7) **12.30am News**
12.35-12.45 An Advent Calendar (as 9am) **1.00-2.25 Night School** (except in Scotland)

RADIO 4

5.55am Shipping Forecast **6.00** News Briefing; Weather **6.10** Farming Today **6.25** Prayer for the Day **6.30** Today, incl **6.30, 7.00, 8.00, 8.30** News **6.45** Business News **6.55, 7.55** Weather **7.25, 8.25** Sports News **7.45** Thought for the Day **8.40** Yesterday in Parliament **8.58** Weather
9.00 News
9.05 Money Box Budget Call: 071 580 4444: Vincent Duggleby takes listeners' calls
10.00-10.30 Gosling on the High Street (FM only): Ray Gosling reviews the work of Victorian entrepreneur Lord Leverhulme
10.00 News; Daily Service (LW only)
10.15 The Bible (LW only): Ezekiel. Read by Paul Scofield (2/6) (r)
10.30 Woman's Hour, introduced by Jenni Murray. Cheryl Armitage explores alternatives to starchy nurses' uniforms. Incl 11.00 **News**
11.30 Gardeners' Question Time: Dr Stefan Buczacki chairs a postbag edition (r)
12.00 News; You and Yours, with John Howard
12.25pm Up the Garden Path, by Sue Limb. With Imelda Staunton as Izzy **12.55** Weather
1.00 The World at One, with James Naughtie
1.40 The Archers (r) **1.55**
2.00 News; Wednesday Afternoon Serial: The Crack. See Choice
2.47 Treasure Islands: Michael Rosen talks to the poet Roger McGough
3.00 News; File on 4 (r)
3.40 It's a Funny Old World: Miles Kington finds out what makes Germans laugh
4.00 News 4.05 Kaleidoscope reviews a book about the films based on Graham Greene's writing; and reports from the film set of *Black Beauty*
4.45 Short Story: Don't Touch, by Michael Carson. Read by Nigel Anthony
5.00 PM with Chris Lowe and Hugh Sykes **5.50** Shipping Forecast **5.55** Weather
6.00 Six O'Clock News
6.30 Word of Mouth: Buy This. Frank Delaney investigates the language of persuasion (r)
7.00 News 7.05 The Archers
7.20 Costing the Earth: Roger Harrabin presents the environmental programme (r)
7.45 Medicine Now: Geoff Watts reports on the health of medical care (r)
8.15 Age to Age: Christopher Cook explores Russian political upheavals (r)
8.45 New Society? The Message and the Music. In the last of the series, Charlotte Greig explores the state of black pentecostal churches in Britain
9.15 Kaleidoscope (r)
9.45 The Financial World Tonight, presented by Mark Gregory **9.59** Weather
10.35 The Budget: A statement on behalf of the Labour party by Gordon Brown, MP, Shadow Chancellor of the Exchequer
10.45 Book at Bedtime: We Are Still Married, by Garrison Keillor (final part) (r)
11.00 No Further Questions? Between the Devil and the Deep Blue Sea. Nicholas Stewart, QC, considers a case which set a legal precedent in 1884. It involved two shipwrecked seamen who killed and ate their cabin boy after several weeks at sea in an open boat (r)
11.30 Today in Parliament
12.00-12.43 News, incl **12.27** Weather **12.33** Shipping Forecast **12.43** As World Service (LW only)

CHOICE

The Creation. *Classic FM, 8.00pm.*
Unusually, the Royal College of Surgeons turned impresario for this recent performance at the Festival Hall of Haydn's oratorio. The proceeds — a whacking £25,000 — have helped to establish a research scholarship for young surgeons. Musical history was made that night. It was the first time the oratorio had used the words of Anne Hunter, wife of the founding father of modern surgery and friend of Haydn. Most of the Hunterian Choir and Orchestra that we hear in this recording are in the medical profession, So is the conductor, John Lumley, and one of the three soloists, David Skewes.

The Crack. *Radio 4, 2.00pm.*
Tracy Aston's *Friday* is the first of a four-play sequence, all of them set on Merseyside during one weekend, all scripted by different hands, and all incorporating the discovery of a corpse on a tombstone. Judging by *Friday*, in which Patricia Hayes and Michael Angelis play a couple of strangers bound together by the casting off of their shackles, *The Crack* attempts to do for Merseysiders what Joyce's *Dubliners* did for the Irish.
Peter Davalle

RADIO 1: 1053kHz/285m;1089kHz/275m; FM 97.6-99.8. **RADIO 2:** FM 88-90.2. **RADIO 3:** FM 90.2-92.4. **RADIO 4:** 198kHz/1515m; FM 92.4-94.6. **RADIO 5:** 693kHz/433m; 909kHz/330m. **LBC:** 1152kHz/261m; FM 97.3. **CAPITAL:** 1548kHz/194m; FM 95.8. **GLR:** 1458kHz/206m; FM 94.9; **WORLD SERVICE:** MW 648kHz/463m. **CLASSIC FM:** FM 100-102. **VIRGIN:** MW 1215, 1197, 1242 kHz.
COMPILED BY PETER DEAR AND GILLIAN MAXEY

SATELLITE

SKY ONE
6.00am The DJ Kat Show (83370623) **8.40** Lamb Chops Play-a-Long (8029265) **9.00** Cartoons (97739) **9.30** Card Sharks (9411352) **9.55** Concentration (9429371) **10.25** Dynamo Duck (7932975) **10.30** Love at First Sight (86623) **11.00** Sally Jessy Raphael (44492) **12.00** The Urban Peasant (77975) **12.30pm** Paradise Beach (28197) **1.00** Barnaby Jones (16352) **2.00** The Secret of the Black Dragon (84826) **3.00** Another World (6852401) **3.45** The DJ Kat Show (5096739) **5.00** Star Trek: The Next Generation (6325) **6.00** Games World (1197) **6.30** Paradise Beach (2449) **7.00** Rescue (1604) **7.30** Growing Pains (1333) **8.00** Hunter (59081) **9.00** Picket Fences (46517) **10.00** Star Trek: The Next Generation (49604) **11.00** The Untouchables (96517) **12.00** The Streets of San Francisco (80840) **1.00am** Night Court (31647) **1.30-2.00** Maniac Mansion (61376)

SKY NEWS
News on the hour.
6.00am Sunrise Europe (51159) **9.30** ABC Nightline (86975) **10.30** Fashion TV (68081) **11.30** Japan Business Today (88623) **12.30pm** World News and Business Report (79197) **1.30** CBS News (70826) **2.30** Parliament Live (23284) **4.30** News and Business Report (8246) **5.00** Live at Five (124739) **7.30** Fashion TV (8975) **9.30** Talkback (25325) **11.30** CBS News (62975) **12.30am** ABC News (11869) **1.30** Fashion TV (24376) **2.30** Those Were The Days (94024) **3.30** Talkback (96729) **4.30** Beyond 2000 (75596) **5.30-6.00** CBS News (97579)

SKY MOVIES
6.20am Showcase (5873197)
10.00 How I Spent My Summer Vacation (1990): John Ratzenberger plays an accountant turned summer camp owner (22913)
12.00 Vanishing Wilderness (1974): American wildlife documentary (58401)
2.00pm Klondike Fever (1980): Jeff East stars as the writer Jack London (63284)
4.00 The Red Tent (1971): Arctic survival adventure with Sean Connery (74443352)
6.10 How I Spent My Summer Vacation (as 10am) (12172826)
8.00 Once Upon a Crime (1992): John Candy and James Belushi in an Americans in Europe caper (55265)
10.00 The Hitman (1991): Chuck Norris is betrayed by his partner (886081)
11.35 Cecilia: Adult film (926468)
1.10am Night of the Warrior (1990): Martial arts drama with Lorenzo Lamas (164463)
2.45 Quick Change (1990): Bill Murray and Geena Davis raid a bank (4945024)
4.10 Career Opportunities (1991): A night-watchman discovers a teenage girl hiding in his store (1068955). Ends at **5.30**

SKY MOVIES GOLD
6.00pm Scrooge (1951, b/w). Charles Dickens's classic with Alastair Sim (34710)
8.00 Blade Runner (1982): Harrison Ford plays a futuristic bounty hunter (48555)
10.00 Sharky's Machine (1981). Burt Reynolds pursues a gangster. With Vittorio Gassman (97791). Ends at **12.00**

THE MOVIE CHANNEL
6.00am Raiders of the Seven Seas (1953): A pirate rescues a countess (15516888)
7.35 20,000 Leagues under the Sea (1985): Cartoon adventure (3307536)
8.35 The Call of the Wild: Cartoon version of Jack London's adventure story (8886994)
9.40 The Fire in the Stone (1985): Children search for stolen opals (58228517)
11.20 55 Days in Peking (1963): Charlton Heston stars in this epic drama of the Boxer rebellion in China (37426371)
1.55pm The 300 Spartans (1962): Greeks fight the Persians (58973517)
3.55 20,000 Leagues under the Sea (as 7.35am) (1401265) **4.50 The Call of the Wild** (as 8.35am) (8066739)
6.00 Babes in Toyland (1986): A young girl does battle with an evil toymaker (41062)
8.00 The End of the Golden Weather (1991): A boy befriends a man with learning disabilities. With Stephen Fulford (53807)
10.00 Sleeping With the Enemy (1991). Julia Roberts tries to escape from her over-fastidious husband (525468)
11.40 Seed People (1991): A town is invaded by man-eating aliens (945772)
1.05am Across 110th Street (1972): The New York police and the Mafia pursue bank robbers. With Anthony Quinn (504901)
3.00 Britannia Hospital (1982): Medical satire (391376). Ends at **4.45**

SKY SPORTS
7.00am Soccer News (6568517) **7.15** Prime Bodies (748523) **7.45** Windsurfing (198064) **8.15** Soccer News (2205130) **8.30** The Boss (83371) **9.00** Prime Bodies (54623) **9.30** Field Hockey (37623) **10.30** Adventure Sport (86401) **11.30** French Football League (15791) **12.30pm** *The Footballers' Football Show* on the Road (27536) **2.00** ATP Tennis (250888) **5.00** NHRA Drag Racing Today (3468) **5.30** Motor World (3913) **6.00** Soccer News (392517) **6.15** Sportsworld (462062) **7.00** American Sports Cavalcade (82333) **8.00** Ringside Boxing: Maurice Core v Simon Harris (89587) **10.00** Soccer News (253555) **10.15** Cricket: Nations Cup (415975) **12.15am** Netbusters (9415647) **12.30-3.30** ATP Tennis (1083024)

EUROSPORT
7.30am Step Aerobics (20130) **8.00** Golf Japanese Tour (62468) **9.00** Aerobics (29062) **10.00** Handball (59642) **11.00** Eurogoals (46178) **12.00** Luge Pre-Olympic Meeting (99284) **1.00pm** Athletics Women's Marathon (75604) **2.00** Eurofun (7284) **2.30** American Football. Indianapolis v San Diego (90062) **4.00** Road to Lillehammer (5517) **4.30** Sailing (82826) **5.30** Equestrianism (42772) **6.30** News (6246) **7.00** Handball (38159) **9.00** Motors Magazine (89523) **10.00** Football: Toyota Cup (30178) **11.30** Eurofun (16449) **12.00-12.30am** Eurosport News (32656)

UK GOLD
7.00am GP (7409246) **7.30** Neighbours (7411081) **8.00** Sons and Daughters (2555265) **8.30** EastEnders (2554536) **9.00** The Bill (2545888) **9.30** Juliet Bravo (3164951) **10.30** The Brothers (9935333) **11.30** Rhoda (7799352) **12.00** Sons and Daughters (2558352) **12.30pm** Neighbours (8946739) **1.00** EastEnders (7408517) **1.30** The Bill (8938710) **2.00** It Ain't Half Hot, Mum (4489517) **2.30** Get Some In (7807371) **3.00** Dallas (7700468) **4.00** Dynasty (7789975) **5.00** Blankety Blank (4403197) **5.30** Give Us a Clue (7665159) **6.00** Neighbours (7675772) **6.30** EastEnders (7699352) **7.00** Juliet Bravo (8725371) **8.00** It Ain't Half Hot, Mum (4492081) **8.30** Get Some In (4488888) **9.00** Jemma Shore Investigates (8721555) **10.00** The Bill (2559081) **10.30** Cool It (2535401) **11.00** Top of the Pops: 1978 (4375791) **11.45** Dr Who. Planet of the Daleks (3350084) **12.15am** FILM: The Tuttles of Tahiti (1942, b/w): Charles Laughton enjoys life on an island (7576463) **1.50** Video Bites (15802482) **2.15-3.30** Shopping at Night (68953181)

CHILDREN'S CHANNEL
6.00am RatKan I (708642) **9.00** Jack in the Box (83710) **11.00** RatKan II (421449) **2.00pm** Iris the Happy Professor (74062) **3.00** RatKan II (8555) **3.30** Ovide and the Gang (7555) **4.00** The Charlie Brown and Snoopy Show (8062) **4.30-5.00** Around the World in 80 Seconds (2246)

NICKELODEON
7.00am Dawn Patrol (54197) **7.30** Guts (33604) **8.00** Get the Picture (62642) **8.30** Wild Side Show (61913) **9.00** Rabbit Ears' We All Have Tales (52265) **9.30** Fraggle Rock (89807) **10.00** Janosch's Dream (23736) **10.30** The World of David the Gnome (58449) **11.00** Sharon, Lois and Bram's Elephant Show (64449) **11.30** Eureeka's Castle (13333) **12.30pm** Rabbit Ears' We All Have Tales (63623) **1.00** The World of David the Gnome (53468) **1.30** Wisdom of the Gnomes (82994) **2.00** Janosch's Dream (6230) **2.30** Nick Jr Story Time (7736) **3.00** Cartoon Kablooey (9265) **3.30** Out of Control (2284) **4.00** Fraggle Rock (1791) **4.30** Hey Dude (7975) **5.00** Clarissa Explains It All (4710) **5.30** Get the Picture (1555) **6.00** Guts (8468) **6.30-7.00** Welcome Freshmen (2420)

DISCOVERY
4.00pm Challenge of the Seas (7695265) **4.30** The Arctic (7692449) **5.00** Valhalla (4401739) **5.30** An African Ride (7676401) **6.00** Only in Hollywood (6307371) **6.05** Beyond 2000 (4793888) **7.05** In Search of Wildlife (4481975) **7.30** From Monkeys to Apes (7693178) **8.00** Fire (4480623) **8.30** Paramedics (4479130) **9.00** Loch Ness Discovered (8729197) **10.00** Roger Kennedy's Rediscovering America (6722284) **11.00-12.00** International Aids Awareness Day (7416536)

BRAVO
12.00 Mary Hartman, Mary Hartman (2543420) **12.30pm** FILM: Happy Ever After (1962). Villagers draw lots to murder their squire (8615449) **2.00** FILM: Tender Comrade (1943, b/w) Ginger Rogers stays at home while her husband goes to war (2001951) **3.45** Art Linkletter and the Kids (45854517) **4.00** The Flying Nun (7683791) **4.30** My Three Sons (7689975) **5.00** The Beverly Hillbillies (4498265) **5.30** The Donny and Marie Show (7603555) **6.00** Mr Lucky (7600468) **6.30** Scotland Yard (7684420) **7.00** The Big Valley (8727739) **8.00** FILM: All The Way Up (1970). Social climbing comedy with Warren Mitchell (15962555) **9.45** Art Linkletter and the Kids (3834517) **10.00** FILM: The Sorcerers (1967). An infirm couple (Boris Karloff and Catherine Lacey) impose their will on the young (2094284) **11.30-12.00** The Twilight Zone (2481888)

UK LIVING
7.00am Jayne and Friends (5732555) **8.00** Fame, Fortune and Romance (5008389) **8.30** Living Daylights (5196330) **9.00** Divorce Court (2953410) **9.30** Hot Topics (6917371) **10.00** The Treatment (3423975) **10.30** Living Extra (6553474) **11.00** The Home Show (4340062) **11.30** Masterchef 1991 (4341791) **12.00** Practical Living (27945826) **12.15pm** Kilroy (1680371) **1.00** Crosswits (2631352) **1.30** Divorce Court (8987130) **2.00** Days of Our Lives (3424604) **3.00** Agony Hour (4352807) **4.00** Crosswits (4773456) **4.30** Infatuation (2876820) **5.00** Highlights of Jayne and Friends (6140642) **6.00** Health Uk (7028523) **6.30** Raw Energy (3323915) **7.00** Agony Hour (2629517) **9.00** FILM: Kids Don't Tell (1985): A documentary maker makes a film about sexually abused children. With Michael Ontkean and JoBeth Williams (7377820) **11.00** Infatuation (4365371) **11.30** The All New Dr Ruth Show (3429159) **12.00-1.00am** Days of Our Lives (5789463)

FAMILY CHANNEL
5.00 The Wonder Years (8212) **5.30** Danger Bay (6826) **6.00** Big Brother Jake (3739) **6.30** Catchphrase (7791) **7.00** Trivial Pursuit (8456) **7.30** All Clued Up (3975) **8.00** Remington Steele (48913) **9.00** Neon Rider (35449) **10.00** WKRP in Cincinnati (84888) **10.30** The Bob Newhart Show (93536) **11.00** Newhart (81130) **11.30** The Mary Tyler Moore Show (79517) **12.00-1.00am** Lou Grant (73598)

MTV
5.00am Awake on the Wild Side (4354260) **9.00** VJ Ingo (436371) **12.00** Greatest Hits (13898) **1.00pm** Simone (650604) **3.30** Coca-Cola Report (6220739) **3.45** At the Movies (6218994) **4.00** News (5491246) **4.15** 3 from 1 (5414197) **4.30** Dial MTV (4604) **5.00** The Soul of MTV (2130) **5.30** Music Non-Stop (97468) **7.00** The Real World II (2994) **7.30** Most Wanted (36710) **9.00** Greatest Hits (37807) **10.00** Coca-Cola Report (310449) **10.15** At the Movies (308604) **10.30** News at Night (183130) **10.45** 3 from 1 (111913) **11.00** No Alternative Aids Awareness Special (20739) **12.00** Post Modern (75956) **1.00am** Marijne (76555) **2.00-5.00** Night Videos (4919802)

TV ASIA
6.00am Persian Dawn (46265) **7.00** Regional News (85333) **8.00** Hindi News (26046) **8.30** Urdu News (5453284) **8.45** English News (5458738) **9.00** Serial: Guldasta (85642) **10.00** Pakistani FILM (432555) **1.00pm** Serial: Taalash (98130) **1.30** Hindi FILM: Maryada (318401) **4.30** Kiddie Time (9772) **5.00-6.00** TVA — Dedicated to You (6333) **7.00** Mere Saath Chal with Pooja Bhatt (1246) **7.30** Worldline Programme (8604) **8.00** English News (163772) **8.15** Hindi FILM: Humse Na Jeeta koi (58799975) **11.15** Serial: Pal Jhar (979994) **12.05am** Five Past Midnight (5523192) **1.35** Sight and Sound (18621043)

TNT
Theme. Bio Rhythms — Musical Biographies
7.00pm Your Cheatin' Heart (1964): Biopic of singer Hank Williams (51337771)
8.55 The Singing Nun (1966). Debbie Reynolds takes the title role (62018975)
10.45 Fame (1980): Drama set in the New York High School for the Performing Arts. With Irene Cara (21376517)
1.15am Shine on Harvest Moon (1944, b/w): Musical biopic of vaudevillians Nora Bayes and Jack Norworth (54930550)
3.25 The Youngest Profession (1943, b/w): Story of a teenage autograph collector (44775888). Ends at **5.00**

CNN
Twenty-four hour news

CMT
Country music from midnight to 4pm

QVC
Home shopping channel

RUGBY UNION 48
BATH DRAWN AT HOME TO WASPS IN PILKINGTON CUP

SPORT

SWIMMING 48
CHINESE WOMEN PREPARE TO TAKE ON THE WORLD

WEDNESDAY DECEMBER 1 1993

Swales to play no part in selecting Taylor's successor

FA picks Armfield to revive England

By Keith Pike

JIMMY Armfield was yesterday handed the job of leading a long-awaited revolution in English football with his appointment as a consultant to the Football Association. The former England captain, 58, who is one of the most respected commentators on the game, faces two demanding tasks.

The first, and most pressing, is to help select the successor to Graham Taylor as manager of the national team. The second, and the more wide-ranging, is to advise on a wholesale restructuring of a discredited set-up. He will seek the views of those within the game and those outside it, he said, including supporters. Much rests on his success.

Armfield: respected

Peter Swales, though, will take no part in deciding who will succeed Taylor. Twenty-four hours after stepping down as chairman of Manchester City, Swales also announced that he will not be seeking re-election as chairman of the FA international committee next June and will not be involved in the deliberations of a five-man sub-committee that will begin work next week.

Armfield will be joined on that by Sir Bert Millichip, the chairman of the FA, Graham Kelly, its chief executive, Ian Stott, the chairman of Oldham Athletic, and Noel White; the Liverpool director and former chairman. Their brief is to appoint a full-time manager before England's next game, against Denmark on March 9, rather than a caretaker, although Kelly admitted that time is not on their side. "I think people want an appointment of some imagination and I hope it will be made sooner rather than later," Kelly said.

"We want an early appointment, but we don't want a hurried appointment and we don't want a mistaken appointment. We want the right appointment and that will take a little time. It may not be possible, but it is certainly our aim." Nobody, he said, had been ruled out, even those who have already said they do not want the job. "Anybody who has said that has said it without knowing what the structure [of the England management set-up] is going to be. It may be very different from the present and if we get it right people will be interested in the job."

Armfield, he believed, was the right man to lead that search as well as advise on wider issues, although Kelly ruled out the possibility of Armfield acting as caretaker manager should a full-time manager not be installed by next spring. Neither would he stay on to act as a "father figure" to the new manager.

The full back, who played 568 league games for Blackpool between 1954-71, won 43 England caps and was manager of the Leeds United side that lost in the 1975 European Cup final, "has a deep love and thorough knowledge of the game based on years of experience," Kelly said.

The FA "has not been short of advice in the past seven days, but a lot of that advice comes from areas where there are vested interests or axes to grind. I see Jimmy as being an independent mind, capable of providing unbiased advice". He had first approached him, he said, just before the game against San Marino in Bologna on November 17, where a 7-1 victory could not prevent England's elimination from the World Cup.

Armfield, who will leave his job as a writer for the *Daily Express* but continue to work as an analyst for BBC Radio, said on air recently that he thought Kevin Keegan, the Newcastle United manager, was "the only man for the job" as England manager, but has since acknowledged that achieving success in the Premiership does not necessarily make for a successful England manager. "We shall have to see if he is still of that view after consulting people in the game," Kelly said. If a present club manager was chosen, compensation would be paid "providing the amount was reasonable".

Armfield said he saw his role as "a sort of conduit between the FA and the professional game". He intended to seek advice "from people who have a genuine interest in the game in this country", including young players, former professionals and managers, "even among the fans".

In the long-term, Armfield's job is to advise on the structure within which the England manager will have to work. "There are all sorts of possibilities which have been canvassed recently," Kelly said, "a two-tier management structure, one that embraces England international teams from youth to senior level, even the appointment of a technical director of football." One of the FA's prime concerns was the "gulf" between the FA coaching and education scheme and the professional game.

"Jimmy can help us bridge that gap," he said. "He will seek to cultivate the coaching and education scheme with the professional side of the game, and also perhaps with the international management set-up. His job is to advise us on all aspects of playing performance."

JOHN MANNING

Graham Kelly, the FA chief executive, announces the composition of the five-man England sub-committee

Turkey deports fans, page 5
McIlroy's cup goal, page 47

Self-made man aims for top of mountain at Winter Games

From David Miller in Salt Lake City

EARL Holding is a quiet, unpublicised personification of the American Dream: from truck-stop skivvy in the back of beyond to multi-billionaire in 35 years. In the past few weeks he has become a backer of a dream-like Olympic bid: Salt Lake City's, its facilities placed like a wedding cake in the panoramic Wasatch mountain range.

As a youngster, Holding was a cleaner at a desolate bed-and-breakfast gas station for truckers in Wyoming. His father was the gardener. The owner's children fancied something more grand, and he arranged finance for his handyman to buy his children's inheritance, including a small motel in Salt Lake.

Consistently reinvesting profits — a tiny oil company, then a bigger one, then oil pipelines, hotel groups, ski resorts, including Sun Valley — Holding became one of the two richest inhabitants of Salt Lake's booming million-plus population. His donation to the bid for the 2002 Winter Games, besides cash contributions to the bidding campaign, is to construct the downhill course at Snow Basin, where the elk roam free — another acquisition — and to rent it free for the Games, should Salt Lake be elected in 1995.

Holding flew in by private plane, to meet Marc Hodler, president of the international ski federation (FIS), to discuss final details during Sunday's World Cup slalom, won by Thomas Stangassinger, of Austria. "These would be the most cost-effective Games ever," Tom Welch, Salt Lake's bid president, claims.

The shadows on the horizon are a rival North American bid from Quebec, Canada's would-be independent state, and another from Ostersund, defeated with Salt Lake by Nagano for the 1998 Games and Sweden's second consecutive attempt.

Also clouding the scene, at home, is the apparent indifference by the US Olympic Committee, which formally nominated Salt Lake as American candidate in September, yet was conspicuously absent at this weekend's World Cup slalom events, America's opening to the international season at which many prominent foreign representatives were present. Exceptional though Salt Lake's facilities are they need a national front as united as was Sydney's.

The USOC, however, is presenting an administrative fragmentation almost as confused as Britain's. Their preoccupation is with who should succeed the deposed Robert Helmick as America's second member. Harvey Schiller, the paid chief executive, is busy projecting, controversially, his own candidacy.

With even the powerful Olympic nations now lucky to have one host city within a fast-developing sporting world in any generation, backing the Salt Lake bid to the hilt should be USOC's priority; particularly when the city, founded by a tiny band of Mormons 150 years ago on a salt plain amid some of the most spectacular mountains in America, has wholeheartedly committed itself, win or lose, to a range of facilities far beyond the country's other ski areas.

> 'These Games will be the most cost-effective ever ... the IOC needs exceptional reasons to go elsewhere'

By November 1995, everything will be in place: a village at the Utah university campus ten minutes from the city centre; a 50,000 main stadium, the world's largest indoor ice-hockey/figure skating arena, the 21,000 home of Utah Jazz basketball; Alpine centres at spectacular Park City, the former silver mining suburb, and Snow Basin linked by six-lane expressways; a new Nordic, jumping, bob-run and free-style centre, where last year 120,000 jumps were made on the environmentally protected hills, 80 per cent of these by novices; a 6,000 indoor speed-skating arena.

Offered a complete, finished package, the IOC will need exceptional reasons to go elsewhere.

Newcastle seek relief from league demands

By David Hands
Rugby Correspondent

WHEN a rugby club is as hard-pressed as Newcastle Gosforth, even a cup draw may come as light relief from the slog of seeking that elusive first league victory of the season. Yet Bridgwater and Albion, whom Newcastle must play in the fourth round of the Pilkington Cup on December 18, may be regarded as a snare and delusion.

Newcastle, when they were only Gosforth, were twice winners of the national knockout competition, in 1976 and 1977. Since then they have endured many vicissitudes until re-emerging into the first division this season. But it has been a hard road and, after seven games, they prop up the division with one point culled from a drawn game with Gloucester in September.

Yet Mick Mahoney, their director of rugby, sees a chink of light. "We are getting better, and though nothing is easy for us we are extremely satisfied with the cup draw." Mahoney said. "We are at home to start with and even if we lose the next two league games, we would have to play very badly to lose to Bridgwater — and that's not meant to be disrespectful.

"I don't think our players will relax just because they are playing a side six divisions below them. We are seeing small signs of improvement and the Cup game could come at the right time. It could give us the win which breaks the losing sequence."

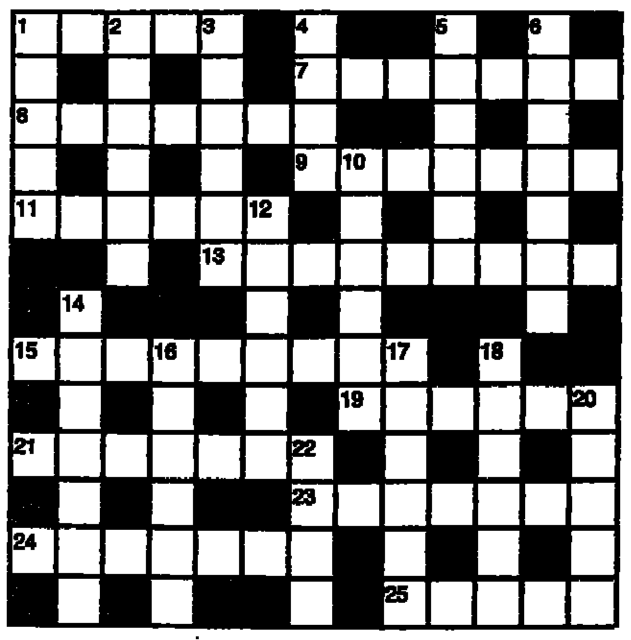
Newcastle's next two league opponents, this Saturday and on December 11, are Bristol away and Northampton at home. Although they lost their last league outing to London Irish, they were encouraged by the amount of ball they won and they were heartened to see that Gloucester emerged from the league doldrums last month by beating Northampton.

"Northampton may be a touch vulnerable just now and I have by no means written us off for the season," Mahoney said. "A lot depends on what happens during December but something has to go right for us one day and a couple of wins would change the whole situation."

Over the next month, too, Newcastle will welcome back a host of injured players, including two tight-head props, three centres, a wing and a flanker. But they believe that they have established a genuine lineout presence and their young backs are coming to terms with first division rugby. If they need a spur, there is always the sight of their neighbours from West Hartlepool sitting comfortably at the top of the second division: Mahoney is not prepared to change places just yet.

West Hartlepool themselves must play their second division colleagues from Wakefield in the Cup. The Yorkshire club is the only one to have held West Hartlepool in the league this season (a 13-13 draw) but Dave Stubbs, West's coaching organiser, is happy to travel since his club's form has been better away. He welcomes this tough match. "We have a lot of hard fixtures coming up and we need to keep playing at a high level," Stubbs said.

Pilkington Cup draw, page 48
Telfer's task, page 50



TIMES TWO CROSSWORD

No 27

ACROSS
1 Boast (5)
7 Largest living bird (7)
8 Cockerel (7)
9 Largest penguin (7)
11 The East (6)
13 Venetian boatman (9)
15 Hearing by one's peers (4,5)
19 Scottish inventor of logarithms (6)
21 Ropes to secure a mast (7)
23 Field of fruit-trees (7)
24 Simple toy (7)
25 Shrilly piping (5)

DOWN
1 Sun sign, Aug/Sept (5)
2 Imaginary perfect country (6)
3 Ostentatiously carrying (6)
4 Gruesome blood (4)
5 Mediaeval method of trial (6)
6 Child's two-wheeler (7)
10 Lunatic (6)
12 Arid; highly emotional (6)
14 Loose pad for chair (7)
16 Mediaeval freemen farmers (6)
17 E Indian sailor (6)
18 Sea-robber (6)
20 Healthily red-faced (5)
22 Highly-nutritious Asian bean (4)

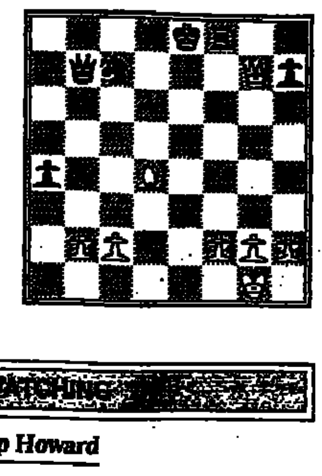
SOLUTION TO NO 26

ACROSS: 1 Wildfire 5 Half 9 Shallot 10 Taper 11 Bang 12 Limpopo 14 Bye-bye 16 Bad egg 19 Titanic 21 Kick 24 Crate 25 Amnesty 26 Eats 27 Defender

DOWN: 1 Wash 2 Lhasa 3 Fall guy 4 Rattle 6 Approve 7 Furlough 8 Stem 13 Obstacle 15 Extract 17 Askance 18 Scrape 20 Noel 22 Cased 23 Dyer

By Raymond Keene

This position is a variation from the game Short - Kasparov, Times World Championship, game 20. White is a rook down, but the Black king is terribly exposed. Can you spot White's strongest continuation?



Solution, page 48
Raymond Keene, page 5

WORD-WATCHING

By Philip Howard

VESPIARY
a. An evening church service
b. A picador's spear
c. A wasps' nest

XANTHOPSIA
a. Yellow sight
b. Systematically late for everything
c. Grass-eating

AXIOPISTY
a. Credulity
b. Sporadic drunkenness
c. Trustworthiness

BROMIDROSIS
a. Frosty autumn dew
b. Smelly sweat
c. Irrigation

Answers on page 48

TOKEN

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